



SP CORPORATION LIMITED

(Company Registration No. 195200115k)

FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (“FY2018”)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Consolidated Statement of Profit or Loss (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Note | Group Full Year | | |
|---|----------|--------------------|--------------------|--------------|
| | | 31.12.18 \$'000 | 31.12.17 \$'000 | + / (-) % |
| <u>Continuing Operations</u> | | | | |
| Revenue | a | 136,379 | 121,066 | 13 |
| Cost of sales | | (133,164) | (118,732) | 12 |
| Gross profit | a | 3,215 | 2,334 | 38 |
| Other operating income | b | 58 | 181 | (68) |
| Distribution costs | c | (3) | (41) | (93) |
| Administrative expenses | d | (2,585) | (2,013) | 28 |
| Other operating expenses | e | (80) | (361) | (78) |
| Interest income | f | 1,745 | 1,111 | 57 |
| Interest expense | g | (40) | (1) | 3,900 |
| Profit before tax | | 2,310 | 1,210 | 91 |
| Income tax expense | h | (412) | (244) | 69 |
| Profit for the financial year from continuing operations | | 1,898 | 966 | 96 |
| <u>Discontinued Operation</u> | | | | |
| Loss for the financial year from discontinued operation | i | - | (519) | n.m |
| Profit for the financial year | | 1,898 | 447 | 325 |
| Profit (Loss) attributable to owners of the Company | | | | |
| - Continuing operations | | 1,898 | 966 | 96 |
| - Discontinued operation | | - | (519) | n.m |
| | | 1,898 | 447 | 325 |

For comparison purpose, relevant FY2017 figures of the Tyre Distribution Unit were excluded from the presentation under the “Continuing Operations” but included under the “Discontinued Operation”. The Tyre Distribution Unit was discontinued in December 2017.

n.m: Not meaningful

1(a)(ii) Consolidated Statement of Profit or Loss and Other Comprehensive Income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Group Full Year | | |
|---|--------------------|----------|---------|
| | 31.12.18 | 31.12.17 | + / (-) |
| Note | \$'000 | \$'000 | % |
| Profit (Loss) for the financial year | | | |
| - Continuing operations | 1,898 | 966 | 96 |
| - Discontinued operation | - | (519) | n.m |
| | 1,898 | 447 | 325 |
| Other comprehensive income (loss) after tax: | | | |
| <i>Item that may be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translation of foreign operations | j 739 | (2,625) | n.m |
| Total comprehensive income (loss) for the financial year | 2,637 | (2,178) | n.m |
| Total comprehensive income (loss) for the financial year attributable to owners of the Company | 2,637 | (2,178) | n.m |

1(a)(iii) Profit for the financial year of the Group is arrived at after (charging) crediting the following:

| | Continuing Operations | | Discontinued Operation | | Group Total | |
|--|--------------------------|----------|---------------------------|----------|----------------|----------|
| | Full Year | | Full Year | | Full Year | |
| | 31.12.18 | 31.12.17 | 31.12.18 | 31.12.17 | 31.12.18 | 31.12.17 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Depreciation of plant and equipment | (41) | (31) | - | (76) | (41) | (107) |
| Foreign currency exchange loss | (79) | (361) | - | (4) | (79) | (365) |
| Allowance for doubtful trade receivables | - | - | - | (5) | - | (5) |
| Allowance for inventory obsolescence | - | - | - | (6) | - | (6) |
| Inventories written off | - | - | - | (31) | - | (31) |
| (Under) Over provision of income tax in respect of prior financial years | (63) | 57 | - | - | (63) | 57 |

Notes: (a) to (h) relate solely to Continuing Operations:

- a. All revenue of the current year was from commodities trading. The increase in revenue for FY2018 compared to FY2017 was mainly due to higher coal sales, partially offset by lower rubber and aluminium sales. The higher gross profit margin reflected improved margin from coal trading.
- b. Other operating income in FY2017 was higher mainly due to handling fees relating to coal shipments.
- c. The decrease in distribution costs was largely due to lower manpower costs as a result of staff attrition.
- d. Administrative expenses increased mainly due to higher professional fees and rental expenses, partially offset by lower manpower costs, training costs and other office expenses.
- e. Foreign currency exchange loss in FY2018 was lower than last year as the US dollar appreciated against Singapore dollar during the financial year.

- f. Interest income increased mainly due to the interest income on loan to a related party and higher overdue trade receivables.
- g. The utilisation of trade financing facilities for commodities trading resulted in a higher interest expense.
- h. Income tax expense was higher as there was no group relief from the Tyre Distribution Unit, as well as an under provision of income tax expense for prior years.
- i. Discontinued Operation refers to the tyre distribution business. Its performance in FY2017 was presented as follows:

| | Group Full Year |
|--|----------------------------|
| | 31.12.17 |
| | \$'000 |
| Loss from tyre distribution | (1,192) |
| Gain on disposal of tyre distribution business | 673 |
| | <u>(519)</u> |

The loss from tyre distribution was further analysed as follows:

| | Group Full Year |
|--|----------------------------|
| | 31.12.17 |
| | \$'000 |
| Revenue | 6,660 |
| Cost of sales | <u>(5,638)</u> |
| Gross profit | 1,022 |
| Other operating income | 22 |
| Distribution costs | (1,575) |
| Administrative expenses | (924) |
| Other operating expenses | (11) |
| Interest income | 1 |
| Loss before tax | <u>(1,465)</u> |
| Income tax credit | 273 |
| Loss after tax for the financial year | <u>(1,192)</u> |

SP CORPORATION LIMITED
Full Year Results for the Financial Year Ended 31 December 2018

Group
Full Year

31.12.17

\$'000

Gain on disposal of tyre distribution business

| | |
|------------------------|------------|
| Consideration | 1,750 |
| Net assets disposed of | (914) |
| Related expenses | (163) |
| | <u>673</u> |

- j. The translation gain was due to the appreciation of US dollar against Singapore dollar upon consolidation of subsidiaries whose functional currency is US dollar as opposed to the depreciation of US dollar against Singapore dollar last year.

1(b)(i) Statements of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

| Note | Group | | | Company | | |
|-------------------------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|
| | 31.12.18 \$'000 | 31.12.17 \$'000 | 1.1.17 \$'000 | 31.12.18 \$'000 | 31.12.17 \$'000 | 1.1.17 \$'000 |
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| | | | | | | |
| | 208 | 172 | 375 | 140 | 161 | 184 |
| | - | - | - | 30,611 | 30,343 | 18,413 |
| | <u>208</u> | <u>172</u> | <u>375</u> | <u>30,751</u> | <u>30,504</u> | <u>18,597</u> |
| Current assets | | | | | | |
| | | | | | | |
| | - | - | 759 | - | - | - |
| | 37,036 | 44,039 | 51,901 | 20,831 | 6,701 | 19,262 |
| | 20,000 | - | - | - | - | - |
| | 24 | 118 | 110 | - | 69 | 69 |
| | 10,460 | 22,684 | 24,826 | 903 | 1,739 | 2,449 |
| | <u>67,520</u> | <u>66,841</u> | <u>77,596</u> | <u>21,734</u> | <u>8,509</u> | <u>21,780</u> |
| | <u>67,728</u> | <u>67,013</u> | <u>77,971</u> | <u>52,485</u> | <u>39,013</u> | <u>40,377</u> |
| EQUITY AND LIABILITIES | | | | | | |
| Equity | | | | | | |
| | | | | | | |
| | 58,366 | 58,366 | 58,366 | 58,366 | 58,366 | 58,366 |
| | (258) | (997) | 1,628 | - | - | - |
| | (4,665) | (6,563) | (7,010) | (19,982) | (20,486) | (19,173) |
| | <u>53,443</u> | <u>50,806</u> | <u>52,984</u> | <u>38,384</u> | <u>37,880</u> | <u>39,193</u> |
| Non-current liability | | | | | | |
| | | | | | | |
| | 49 | 38 | 54 | 1 | 1 | 1 |
| Current liabilities | | | | | | |
| | | | | | | |
| | 13,952 | 16,150 | 24,567 | 14,079 | 1,113 | 1,092 |
| | 284 | 19 | 366 | 21 | 19 | 91 |
| | <u>14,236</u> | <u>16,169</u> | <u>24,933</u> | <u>14,100</u> | <u>1,132</u> | <u>1,183</u> |
| | <u>67,728</u> | <u>67,013</u> | <u>77,971</u> | <u>52,485</u> | <u>39,013</u> | <u>40,377</u> |

Note:

- k. The decrease in trade and other receivables of the Group was largely due to the timing in collection from customers. The increase in trade and other receivables of the Company arose from a loan to a subsidiary.

The interest-bearing refundable trade deposit of US\$6 million (equivalent to approximately \$8.2 million) placed with a coal supplier has been renewed for another year till 31 July 2019. The coal allocation for FY2018 has been fulfilled and all due interest payments had been met.

- l. The loan to a related party is repayable within one year and carries fixed interest rate at 7.5% per annum. The loan and all accrued interest shall be repaid in full on the repayment date in cash, or in such other repayment method as otherwise agreed between the parties, in which case interest would not apply.
- m. The decrease in trade and other payables of the Group was mainly due to the timing of lumpy payments to coal and rubber suppliers. The increase in trade and other payables of the Company was mainly because of a loan from a subsidiary.

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

Amount repayable in one year or less, or on demand

| 31.12.18 | | 31.12.18 | | 1.1.17 | |
|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| - | - | - | - | - | - |

Details of any collateral

None.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Note | Group Full Year | |
|--|----------|--------------------|--------------------|
| | | 31.12.18 \$'000 | 31.12.17 \$'000 |
| Operating activities | | | |
| Profit before tax | | | |
| from continuing operations and discontinued operation | | 2,310 | 418 |
| <i>Adjustments for:</i> | | | |
| Depreciation of plant and equipment | | 41 | 107 |
| Gain on disposal of tyre distribution business | | - | (673) |
| Allowance for doubtful trade receivables | | - | 5 |
| Allowance for inventory obsolescence | | - | 6 |
| Inventories written off | | - | 31 |
| Interest expense | | 40 | 1 |
| Interest income | | (1,745) | (1,112) |
| Fair value gain on forward contracts, unrealised | | - | (19) |
| Operating cash flows before movements in working capital | | 646 | (1,236) |
| Inventories | | - | 722 |
| Trade and other receivables | | 8,651 | 5,137 |
| Restricted bank balances | | 554 | 833 |
| Trade and other payables | | (2,707) | (5,868) |
| Cash generated from (used in) operations | | 7,144 | (412) |
| Interest paid | | (40) | (1) |
| Interest received | | 1,213 | 1,056 |
| Income tax paid, net | | (67) | (320) |
| Net cash from operating activities | n | 8,250 | 323 |
| Investing activities | | | |
| Purchase of plant and equipment | | (78) | (70) |
| Loan to a related party | | (20,000) | - |
| Net cash used in investing activities | o | (20,078) | (70) |
| Financing activities | | | |
| Proceeds from borrowings | | 36,192 | - |
| Repayment of borrowings | | (36,192) | - |
| Net cash from financing activities | p | - | - |
| Net (decrease) increase in cash and cash equivalents | | (11,828) | 253 |
| Cash and cash equivalents at the beginning of financial year | | 20,837 | 22,146 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | | 158 | (1,562) |
| Cash and cash equivalents at the end of financial year | q | 9,167 | 20,837 |

Note:

- n. Net cash from operating activities during the financial year was largely attributable to accelerated collections from customers, partially offset by the timing of lumpy payments to suppliers.
- o. Net cash used in investing activities during the financial year was mainly due to the disbursement of a loan of \$20 million to a related party.
- p. Borrowings were in the form of trust receipts for commodities trading in 2H2018; all of which were settled by 31 December 2018.
- q. Cash and cash equivalents as at 31 December 2018 excluded a sum of \$1,293,000 (2017: \$1,847,000) which had been pledged to banks as collateral for trade and credit facilities provided to a subsidiary.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Equity attributable to owners of the Company | | | |
|---|--|---------------------|--------------------|---------------|
| | Share Capital | Translation Reserve | Accumulated Losses | Total Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>The Group</u> | | | | |
| At 1 January 2018 | 58,366 | (997) | (6,563) | 50,806 |
| <i>Total comprehensive income for the financial year</i> | | | | |
| Profit for the financial year | - | - | 1,898 | 1,898 |
| Other comprehensive income for the financial year | - | 739 | - | 739 |
| At 31 December 2018 | 58,366 | (258) | (4,665) | 53,443 |
| At 1 January 2017 | 58,366 | 1,628 | (7,010) | 52,984 |
| <i>Total comprehensive loss for the financial year</i> | | | | |
| Profit for the financial year | - | - | 447 | 447 |
| Other comprehensive income for the financial year | - | (2,625) | - | (2,625) |
| At 31 December 2017 | 58,366 | (997) | (6,563) | 50,806 |
| <u>The Company</u> | | | | |
| At 1 January 2018 | 58,366 | - | (20,486) | 37,880 |
| Profit for the financial year, representing total comprehensive income for the financial year | - | - | 504 | 504 |
| At 31 December 2018 | 58,366 | - | (19,982) | 38,384 |
| At 1 January 2017 | 58,366 | - | (19,173) | 39,193 |
| Loss for the financial year, representing total comprehensive loss for the financial year | - | - | (1,313) | (1,313) |
| At 31 December 2017 | 58,366 | - | (20,486) | 37,880 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

None.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year

| | The Group | | The Company | |
|---|----------------------|----------------------|----------------------|----------------------|
| | <u>31.12.18</u> | <u>31.12.17</u> | <u>31.12.18</u> | <u>31.12.17</u> |
| Total number of issued ordinary shares* | <u>35.10 million</u> | <u>35.10 million</u> | <u>35.10 million</u> | <u>35.10 million</u> |

* There were no treasury shares at the end of the respective financial year.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard

The figures have been audited by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

See the auditors' report attached.

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

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those used in the audited financial statements for the financial year ended 31 December 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) that is identical to the International Financial Reporting Standards with effect from 1 January 2018. The adoption of SFRS(I)s for the first time for the financial year ended 31 December 2018 does not result in any changes to the Group’s and the Company’s current accounting policies and no material adjustments are required on transition to this new framework.

Specifically, the Group has adopted SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* that are relevant to the Group’s operations. The adoption of these new SFRS(I)s does not result in any changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current or prior financial years.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

| | | Group Full Year | |
|---|---|----------------------------|-----------------|
| | | 31.12.18 | 31.12.17 |
| i) Earnings per ordinary share based on weighted average number of shares (in cents) | | | |
| | From continuing operations | 5.41 | 2.75 |
| | From continuing and discontinued operations | 5.41 | 1.27 |
| ii) Earnings per ordinary share based on fully diluted basis (in cents) | | | |
| | From continuing operations | 5.41 | 2.75 |
| | From continuing and discontinued operations | 5.41 | 1.27 |
| | Weighted average number of ordinary shares (in million) | 35.10 | 35.10 |

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

| | Group | | | Company | | |
|--|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | 31.12.18 | 31.12.17 | 1.1.17 | 31.12.18 | 31.12.17 | 1.1.17 |
| Net asset value per ordinary share (in dollar) | 1.52 | 1.45 | 1.51 | 1.09 | 1.08 | 1.12 |
| Total number of issued shares* at the end of the financial year (in million) | 35.10 | 35.10 | 35.10 | 35.10 | 35.10 | 35.10 |

* There were no treasury shares at the end of the respective financial year.

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Commodities Trading Unit

The Group's revenue from continuing operations (i.e. commodities trading) increased to \$136.4 million in FY2018 compared to \$121.1 million in FY2017. The higher revenue was mainly attributable to an increase in revenue from coal trading contributed by higher trading volumes, partially offset by lower revenue from the sale of rubber and aluminium. Gross profit increased as a result of higher margin for coal trading. Commodities trading reported a higher profit after tax of \$1.6 million in FY2018 compared to \$0.8 million in FY2017, mainly due to the higher gross profit, higher interest income on higher level of overdue trade receivables, and lower foreign currency exchange loss, partially offset by absence of handling income relating to coal shipments.

Investment Unit

There was an opportunity for the Group to participate in the development of the RMB5 billion (\$1 billion) Sanya Integrated Development project in Hainan, which is a mixed-use development comprising commercial, residential, hotel and retail elements situated next to the existing Sanya High Speed Railway Station. The developer of the project is Sanya Summer Real Estate Co. Ltd. ("SSRE"). In this regard, the Group extended a loan of \$20 million at an interest rate of 7.5% per annum to an interested person on 24 September 2018. The repayment of the loan and accrued interest would be in cash or in such other repayment method as otherwise agreed between the parties. As part of its diversification strategy, the Group has the option to elect (subject to its shareholders' approval, if required) for the loan to be repaid in new shares to be issued in the capital of SSRE.

The Group's earnings for the financial year were boosted by an increase in interest income of \$0.4 million on the \$20 million loan.

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

Not applicable.

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

Coal deliveries for the financial year have exceeded the quantity secured by the Group under the coal allocation agreement. The Group will continually seek opportunities to grow its commodities trading business.

The Group is exploring investment opportunities to reposition, expand and diversify its business and operations in order to achieve a more consistent and sustainable growth.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended for the financial year ended 31 December 2018.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
 (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

| | Commodities Trading \$'000 | Investment \$'000 | Corporate and Others \$'000 | Inter-segment Eliminations \$'000 | Consolidated \$'000 |
|-------------------------------------|----------------------------------|----------------------|-----------------------------------|---|------------------------|
| 31 December 2018 | | | | | |
| Revenue | | | | | |
| - External customers | 136,379 | - | - | - | 136,379 |
| - Inter-segment | - | - | 2,300 | (2,300) | - |
| Total segment revenue | <u>136,379</u> | <u>-</u> | <u>2,300</u> | <u>(2,300)</u> | <u>136,379</u> |
| Result | | | | | |
| Segment result | 670 | (61) | (4) | - | 605 |
| Interest income | 1,345 | 407 | 73 | (80) | 1,745 |
| Interest expense | (110) | - | (10) | 80 | (40) |
| Profit before tax | 1,905 | 346 | 59 | - | 2,310 |
| Income tax expense | | | | | <u>(412)</u> |
| Profit after tax | | | | | <u>1,898</u> |
| Assets | | | | | |
| Segment assets | 43,829 | 21,395 | 2,480 | - | 67,704 |
| Unallocated assets | | | | | 24 |
| Total assets | | | | | <u>67,728</u> |
| Liabilities | | | | | |
| Segment liabilities | 12,792 | 49 | 1,111 | - | 13,952 |
| Unallocated liabilities | | | | | 333 |
| Total liabilities | | | | | <u>14,285</u> |
| Other information | | | | | |
| Capital expenditure | 5 | - | 73 | - | 78 |
| Depreciation of plant and equipment | 6 | - | 35 | - | 41 |

SP CORPORATION LIMITED
Full Year Results for the Financial Year Ended 31 December 2018

| | Commodities Trading \$'000 | Discontinued Operation (Tyre Distribution) \$'000 | Corporate and Others \$'000 | Inter-segment Eliminations \$'000 | Consolidated \$'000 |
|---|----------------------------------|---|-----------------------------------|---|------------------------|
| 31 December 2017 | | | | | |
| Revenue | | | | | |
| - External customers | 121,066 | 6,660 | - | - | 127,726 |
| - Inter-segment | - | - | 2,720 | (2,720) | - |
| Total segment revenue | <u>121,066</u> | <u>6,660</u> | <u>2,720</u> | <u>(2,720)</u> | <u>127,726</u> |
| Result | | | | | |
| Segment result | 54 | (793) | 51 | (5) | (693) |
| Interest income | 1,110 | 1 | 105 | (104) | 1,112 |
| Interest expense | (101) | - | (3) | 103 | (1) |
| Profit (Loss) before tax | 1,063 | (792) | 153 | (6) | 418 |
| Income tax credit | | | | | <u>29</u> |
| Profit after tax | | | | | <u>447</u> |
| Assets | | | | | |
| Segment assets | 62,143 | 2,419 | 2,333 | - | 66,895 |
| Unallocated assets | | | | | <u>118</u> |
| Total assets | | | | | <u>67,013</u> |
| Liabilities | | | | | |
| Segment liabilities | 14,830 | 366 | 954 | - | 16,150 |
| Unallocated liabilities | | | | | <u>57</u> |
| Total liabilities | | | | | <u>16,207</u> |
| Other information | | | | | |
| Capital expenditure | 8 | 61 | 1 | - | 70 |
| Depreciation of plant and equipment | 6 | 76 | 25 | - | 107 |
| Allowance for doubtful trade receivables | - | 5 | - | - | 5 |
| Inventories written off | - | 31 | - | - | 31 |
| Allowance for inventory obsolescence | - | 6 | - | - | 6 |

| | Commodities Trading \$'000 | Discontinued Operation (Tyre Distribution) \$'000 | Corporate and Others \$'000 | Inter-segment Eliminations \$'000 | Consolidated \$'000 |
|-------------------------|----------------------------------|---|-----------------------------------|---|------------------------|
| 1 January 2017 | | | | | |
| Assets | | | | | |
| Segment assets | 70,921 | 3,708 | 3,232 | - | 77,861 |
| Unallocated assets | | | | | <u>110</u> |
| Total assets | | | | | <u>77,971</u> |
| Liabilities | | | | | |
| Segment liabilities | 22,281 | 1,231 | 1,055 | - | 24,567 |
| Unallocated liabilities | | | | | <u>420</u> |
| Total liabilities | | | | | <u>24,987</u> |

SP CORPORATION LIMITED
Full Year Results for the Financial Year Ended 31 December 2018

| Geographical Segments - Based on location of customer | Group | | | | | | | |
|--|---------------------------------|----------------|--------------------|------------|------------|---------------------|-----------|-----------|
| | Revenue from external customers | | Non-current assets | | | Capital expenditure | | |
| | Full Year | | 31.12.18 | 31.12.17 | 1.1.17 | 31.12.18 | 31.12.17 | 1.1.17 |
| | 31.12.18 | 31.12.17 | 31.12.18 | 31.12.17 | 1.1.17 | 31.12.18 | 31.12.17 | 1.1.17 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Singapore | 116,002 | 96,952 | 149 | 172 | 312 | 6 | 70 | 14 |
| Indonesia | 6,297 | 12,677 | 59 | - | - | 72 | - | - |
| China including Hong Kong | 14,070 | 10,986 | - | - | - | - | - | - |
| Other ASEAN countries | - | 4,221 | - | - | - | - | - | - |
| Malaysia | - | 1,511 | - | - | 63 | - | - | 3 |
| Brunei | - | 1,130 | - | - | - | - | - | - |
| Others | 10 | 249 | - | - | - | - | - | - |
| | <u>136,379</u> | <u>127,726</u> | <u>208</u> | <u>172</u> | <u>375</u> | <u>78</u> | <u>70</u> | <u>17</u> |

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 8 for an analysis by business segments.

15. Breakdown of first half and second half results

| | Group Discontinued Operation | | | Group Total | |
|---|------------------------------|----------|---------|-------------|----------|
| | Full Year | | + / (-) | Full Year | |
| | 31.12.18 | 31.12.17 | | 31.12.18 | 31.12.17 |
| | \$'000 | \$'000 | % | \$'000 | \$'000 |
| (a) Revenue reported for first half year | - | 4,887 | n.m | 64,610 | 58,853 |
| (b) Operating profit (loss) after tax before deducting non-controlling interests reported for first half year | - | (949) | n.m | 583 | (392) |
| (c) Revenue reported for second half year | - | 1,773 | n.m | 71,769 | 68,873 |
| (d) Operating profit after tax before deducting non-controlling interests reported for second half year | - | 430 | n.m | 1,315 | 839 |

16. Interested Person Transactions

The aggregate value of interested person transactions entered into during the following periods is as follows:

| Name of interested person | Group | | | |
|---|--|--------------------|---|--------------------|
| | Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) | |
| | Full Year | | Full Year | |
| | 31.12.18 \$'000 | 31.12.17 \$'000 | 31.12.18 \$'000 | 31.12.17 \$'000 |
| Sales | | | | |
| William Nursalim alias William Liem & associates | - | - | 11,749 | 17,210 |
| Consideration pursuant to Asset Sale and Purchase Agreements | | | | |
| William Nursalim alias William Liem & associates | - | 1,750 | - | - |
| Purchases | | | | |
| William Nursalim alias William Liem & associates | - | - | 94,246 | 65,313 |
| Placement of refundable trade deposit | | | | |
| William Nursalim alias William Liem & associates | - | - | 8,215 | 8,073 |
| Interest income from placement of refundable trade deposit | | | | |
| William Nursalim alias William Liem & associates | - | - | 519 | 473 |
| Interest income from overdue trade receivables | | | | |
| Nuri Holdings (S) Pte Ltd & associates | - | - | - | 196 |
| Management fee expense | | | | |
| Tuan Sing Holdings Limited & associates | - | - | 150 | 150 |
| Progress billing for order placement | | | | |
| William Nursalim alias William Liem & associates | - | - | - | 552 |
| Loan | | | | |
| Nuri Holdings (S) Pte Ltd & associates | - | - | 20,000 | - |
| Interest income from loan | | | | |
| Nuri Holdings (S) Pte Ltd & associates | - | - | 407 | - |
| Total interested person transactions | - | 1,750 | 135,286 | 91,967 |

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

Not applicable.

18. Undertakings from directors and executive officers

Pursuant to Listing Rule 720(1) of the SGX-ST Listing Manual, the Company has received the signed undertakings from all its directors and executive officers based on the revised form of Appendix 7.7.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

| Name | Age | Family relationship with any director, CEO and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|---------------------------------|-----|---|---|--|
| Boediman Gozali (alias Tony Wu) | 77 | Uncle of William Nursalim alias William Liem (Non-Executive Director of the Company). Uncle of Michelle Liem Mei Fung (Deemed Substantial Shareholder of the Company). | Managing Director and Chief Executive Officer of the Company since 1 August 2010. | N.A. |
| Lee Kay Chen | 52 | Brother-in-law of Michelle Liem Mei Fung (Deemed Substantial Shareholder of the Company). | Business Development Manager, SP Resources International Pte. Ltd., a subsidiary of the Company, since 1 June 2018. | General Manager, Globaltraco International Pte Ltd, a subsidiary of the Company, from 1 September 2015 to 31 May 2018. |

BY ORDER OF THE BOARD

Julie Koh Ngin Joo
 Group Company Secretary
 25 January 2019

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| <p>Important Notes to this Announcement</p> <p>This announcement may contain forward-looking statements. Words such as “expects”, “anticipates”, “intends” or the negative use of these terms and other similar expressions of future performance or results and their negatives are intended to identify such forward-looking statements. Forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance or events.</p> <p>Forward-looking statements involve assumptions, risks and uncertainties. Actual future performance or results may differ materially from those expressed or implied in forward-looking statements as a result of various important factors. These factors include, but are not limited to, economic, political and social conditions in the geographic markets where the Group operates, interest rate and foreign currency exchange rate movements, cost of capital and availability of capital, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in demands, customers and partners, and changes in operating costs. Unpredictable or unknown factors not discussed in this announcement could also have material adverse effects on forward-looking statements.</p> <p>Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.</p> |
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