



SP CORPORATION LIMITED

(Company Registration No. 195200115k)

**UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

TABLE OF CONTENTS

	<u>Page</u>
A. Condensed interim consolidated statement of comprehensive income	1
B. Condensed interim statements of financial position	2
C. Condensed interim statements of changes in equity	3
D. Condensed interim consolidated statement of cash flows	4
E. Notes to the condensed interim consolidated financial statements	5 - 15
F. Other information required by Listing Rule Appendix 7.2	
1 Review	16
2 Review of performance of the Group	16 - 17
3 Variance from prospect statement	17
4 Outlook	18
5 Dividend	18 - 19
6 Interested person transactions	19
7 Confirmation pursuant to Rule 720(1)	19
8 Negative confirmation pursuant to Rule 705(5)	20

SP CORPORATION LIMITED
Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 (“1H2022”)

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		
		First Half		+ / (-)
		30.06.22	30.06.21	
		\$'000	\$'000	%
Revenue	5	-	31,195	(100)
Cost of sales		-	(30,362)	(100)
Gross profit		-	833	(100)
Other operating income	6	-	440	(100)
Administrative expenses		(847)	(871)	(3)
Other operating expense	7	(107)	-	n.m
Interest income	8	62	218	(72)
Interest expense		(3)	(6)	(50)
(Loss) Profit before tax	9	(895)	614	n.m
Income tax expense		(5)	(69)	(93)
(Loss) Profit for the financial period, representing (loss) profit attributable to owners of the Company		(900)	545	n.m
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	A	890	(185)	n.m
Other comprehensive income (loss) for the financial period, net of tax, attributable to owners of the Company		890	(185)	n.m
Total comprehensive (loss) income for the financial period attributable to owners of the Company		(10)	360	n.m
Basic and diluted (loss) earnings per share (cents)	10	(2.56)	1.55	n.m

n.m: Not meaningful

Note A:

The translation gain in the current financial period was mainly due to the appreciation of the US dollar against the Singapore dollar upon consolidation of subsidiaries whose functional currency is the US dollar. The net depreciation of the US dollar against the Singapore dollar in 1H2021 resulted in a translation loss for the previous financial period.

SP CORPORATION LIMITED
Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 ("1H2022")

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30.06.22 \$'000	31.12.21 \$'000	30.06.22 \$'000	31.12.21 \$'000
Assets					
Non-current assets					
Plant and equipment	12	98	111	97	110
Right-of-use asset		347	398	347	398
Investments in subsidiaries		-	-	29,722	29,437
Deferred tax asset		61	69	61	69
<i>Total non-current assets</i>		<u>506</u>	<u>578</u>	<u>30,227</u>	<u>30,014</u>
Current assets					
Trade and other receivables	13	1,865	6,769	158	130
Cash and bank balances		54,699	49,628	12,238	13,136
<i>Total current assets</i>		<u>56,564</u>	<u>56,397</u>	<u>12,396</u>	<u>13,266</u>
Total assets		<u><u>57,070</u></u>	<u><u>56,975</u></u>	<u><u>42,623</u></u>	<u><u>43,280</u></u>
Equity and Liabilities					
Equity					
Share capital	14	58,366	58,366	58,366	58,366
Translation reserve		354	(536)	-	-
Capital reserve		-	-	600	600
Accumulated losses		(2,925)	(2,025)	(20,394)	(20,578)
<i>Total equity</i>		<u>55,795</u>	<u>55,805</u>	<u>38,572</u>	<u>38,388</u>
Non-current liabilities					
Other payables	15	28	28	28	28
Lease liability		237	284	237	284
Deferred tax liabilities		70	79	62	71
<i>Total non-current liabilities</i>		<u>335</u>	<u>391</u>	<u>327</u>	<u>383</u>
Current liabilities					
Trade and other payables	15	835	676	3,619	4,406
Lease liability		95	95	95	95
Income tax payable		10	8	10	8
<i>Total current liabilities</i>		<u>940</u>	<u>779</u>	<u>3,724</u>	<u>4,509</u>
Total liabilities		<u>1,275</u>	<u>1,170</u>	<u>4,051</u>	<u>4,892</u>
Total equity and liabilities		<u><u>57,070</u></u>	<u><u>56,975</u></u>	<u><u>42,623</u></u>	<u><u>43,280</u></u>

SP CORPORATION LIMITED
Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 ("1H2022")

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to owners of the Company				
	Share capital	Translation reserve	Capital reserve	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 January 2022	58,366	(536)	-	(2,025)	55,805
<i>Total comprehensive income (loss) for the financial period</i>					
Loss for the financial period	-	-	-	(900)	(900)
Other comprehensive income for the financial period	-	890	-	-	890
Total	-	890	-	(900)	(10)
At 30 June 2022	58,366	354	-	(2,925)	55,795
At 1 January 2021	58,366	(865)	-	(767)	56,734
<i>Total comprehensive (loss) income for the financial period</i>					
Profit for the financial period	-	-	-	545	545
Other comprehensive loss for the financial period	-	(185)	-	-	(185)
Total	-	(185)	-	545	360
At 30 June 2021	58,366	(1,050)	-	(222)	57,094
Company					
At 1 January 2022	58,366	-	600	(20,578)	38,388
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	184	184
At 30 June 2022	58,366	-	600	(20,394)	38,572
At 1 January 2021	58,366	-	594	(20,791)	38,169
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	(15)	(15)
At 30 June 2021	58,366	-	594	(20,806)	38,154

SP CORPORATION LIMITED
Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 ("1H2022")

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	First Half	
	30.06.22	30.06.21
	\$'000	\$'000
Operating activities		
(Loss) Profit before tax	(895)	614
<i>Adjustments for:</i>		
Depreciation of plant and equipment	13	2
Depreciation of right-of-use asset	51	50
Interest expense	3	6
Interest income	(62)	(218)
Operating cash flows before movements in working capital	(890)	454
Trade and other receivables	5,030	9,403
Restricted bank balances	-	(15)
Trade and other payables	257	(6,013)
Cash generated from operations	4,397	3,829
Interest received	30	42
Income tax paid, net	(4)	(232)
Interest paid	-	(2)
Net cash from operating activities	4,423	3,637
Investing activity		
Payments for acquisition of plant and equipment	-	(6)
Net cash used in investing activity	-	(6)
Financing activities		
Proceeds from borrowings	-	7,713
Repayments of borrowings	-	(7,713)
Repayments of lease liability	(50)	(50)
Net cash used in financing activities	(50)	(50)
Net increase in cash and cash equivalents	4,373	3,581
Cash and cash equivalents at the beginning of financial period	47,961	32,772
Effects of exchange rate changes on the balance of cash held in foreign currencies	665	(5)
Cash and cash equivalents at the end of financial period	52,999	36,348

	Group		
	30.06.22	31.12.21	30.06.21
	\$'000	\$'000	\$'000
Cash and cash equivalents comprise:			
Cash at bank and on hand	14,228	47,961	36,348
Fixed deposits	38,771	-	-
Cash and cash equivalents in statement of cash flows	52,999	47,961	36,348
Pledged fixed deposit	1,700	1,667	1,648
Cash and bank balances in statement of financial position	54,699	49,628	37,996

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information

SP Corporation Limited (the “Company”) (Registration No. 195200115K) is domiciled and incorporated in Singapore with its registered office at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697 and principal place of business at 896 Dunearn Road, #03-11 Link@896, Singapore 589472. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The condensed interim financial statements are expressed in Singapore dollars, which is also the functional currency of the Company.

The immediate holding company is Tuan Sing Holdings Limited (“Tuan Sing”), a company incorporated in Singapore and listed on the SGX-ST. Tuan Sing’s major shareholder is Nuri Holdings (S) Pte Ltd, incorporated in Singapore. Related companies in these financial statements refer to members of the immediate holding company’s group of companies.

The principal activity of the Company is that of investment holding, which includes the provision of management services to related companies. The principal activities of the subsidiaries are trading and marketing of industrial products, distribution of consumer products, distribution of tyres, retreading of tyres, engineering contractor and investment holding.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

2 Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

2.1 New and amended standards adopted by the Group

On 1 January 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current reporting period or prior financial years.

2.2 Use of judgements and estimates

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

2.2 Use of judgements and estimates (cont'd)

The significant judgements made by management in applying the Group’s accounting policies and the key source of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the financial year ended 31 December 2021.

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

Critical judgements in applying the Group’s accounting policies

Management is of the view that apart from those involving estimations (see below), there are no critical judgements involved that management has made in the process of applying the Group’s accounting policies and that have a significant effect on the amounts recognised in the condensed interim financial statements.

Key source of estimation uncertainty

The key assumption concerning the future, and other key source of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, are discussed below.

Calculation of loss allowance

When measuring expected credit losses (“ECL”), the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group also considers the expected future financial condition and the ability of the debtors to pay, especially where the debts are aged or overdue for more than 90 days.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

3 Seasonal operations

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

4 Segment and revenue information

The Group is organised into the following main business segments:

<i>Segment</i>	<i>Principal activities</i>
Commodities Trading	Trades and markets a broad range of products including coal, rubber, metals as well as other commodities and products used by manufacturers in the energy, metal and automotive industries in Asia.
Corporate and Others	General corporate activities and others.

SP CORPORATION LIMITED
Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 ("1H2022")

4 Segment and revenue information (cont'd)

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

Segment revenue and results

Information regarding the Group's reportable segments is presented in the tables below.

	Commodities trading \$'000	Corporate and others \$'000	Inter-segment eliminations \$'000	Consolidated \$'000
<u>1H2022</u>				
Revenue				
- External customers	-	-	-	-
- Inter-segment	-	772	(772)	-
Total segment revenue	-	772	(772)	-
Result				
Segment result	(939)	(15)	-	(954)
Interest income	47	15	-	62
Interest expense	-	(3)	-	(3)
Loss before tax	(892)	(3)	-	(895)
Income tax expense				(5)
Loss after tax				(900)
Other information				
Capital expenditure	-	-	-	-
Depreciation of plant and equipment	1	12	-	13
Depreciation of right-of-use asset	-	51	-	51
<u>30 June 2022</u>				
Assets				
Segment assets	41,607	15,463	-	57,070
Total assets				57,070
Liabilities				
Segment liabilities	484	791	-	1,275
Total liabilities				1,275

SP CORPORATION LIMITED
Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 ("1H2022")

4 Segment and revenue information (cont'd)

Segment revenue and results (cont'd)

	Commodities trading \$'000	Corporate and others \$'000	Inter-segment eliminations \$'000	Consolidated \$'000
1H2021				
Revenue				
- External customers	31,195	-	-	31,195
- Inter-segment	-	772	(772)	-
Total segment revenue	31,195	772	(772)	31,195
Result				
Segment result	(174)	514	62	402
Interest income	200	18	-	218
Interest expense	(3)	(3)	-	(6)
Profit before tax	23	529	62	614
Income tax expense				(69)
Profit after tax				545
Other information				
Capital expenditure	-	6	-	6
Depreciation of plant and equipment	2	-	-	2
Depreciation of right-of-use asset	-	50	-	50

30 June 2021

Assets

Segment assets	35,765	23,012	35	58,812
Total assets				58,812

Liabilities

Segment liabilities	617	1,200	(99)	1,718
Total liabilities				1,718

4 Segment and revenue information (cont’d)

Geographical segments

The Group’s businesses are mainly in Singapore, and China including Hong Kong. Revenue is based on the country in which the customer is located. Non-current assets and capital expenditure are shown by the geographical areas in which these assets are located. The Group’s revenue and information about its non-current assets and capital expenditure by geographical locations are detailed below:

	Group					
	Revenue from external customers		Non-current assets		Capital expenditure	
	First Half					
	30.06.22	30.06.21	30.06.22	31.12.21	30.06.22	30.06.21
	\$’000	\$’000	\$’000	\$’000	\$’000	\$’000
Based on location of customer						
Singapore	-	15,754	506	578	-	6
China including Hong Kong	-	15,441	-	-	-	-
	-	31,195	506	578	-	6

Information about major customers

In 1H2021, included in the Commodities Trading revenue of \$31,195,000 were sales of approximately \$15,441,000 and \$9,064,000 to the Group’s two largest customers who are third parties.

5 Revenue

The Group derives its revenue from the sale of commodities trading products at a point in time. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating Segments* (see Note 4).

The Group has applied the practical expedient in SFRS(I) 15:121 and has not disclosed the transaction price of contracts with customers allocated to remaining performance obligations as at the end of the financial period as those performance obligations are part of contracts that have an original expected duration of one year or less.

6 Other operating income

	Group	
	First Half	
	30.06.22	30.06.21
	\$’000	\$’000
Foreign currency exchange gain, net	-	429
Government grant income	-	11
	-	440

SP CORPORATION LIMITED
Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 (“1H2022”)

7 Other operating expense

	Group First Half	
	30.06.22	30.06.21
	\$'000	\$'000
Foreign currency exchange loss, net	107	-

8 Interest income

	Group First Half	
	30.06.22	30.06.21
	\$'000	\$'000
Bank deposits	62	24
Refundable trade deposit - related party [Note 9.2(ii)]	-	174
Overdue trade receivables - related parties [Note 9.2(ii)]	-	20
	<u>62</u>	<u>218</u>

9 (Loss) Profit before tax

9.1 Significant items

Other than as disclosed elsewhere in the condensed interim financial statements, (loss) profit before tax for the financial period has been arrived at after charging (crediting) the following:

	Group First Half	
	30.06.22	30.06.21
	\$'000	\$'000
Administrative expenses		
Depreciation of plant and equipment	13	2
Depreciation of right-of-use asset	51	50
Other operating expense (income)		
Foreign currency exchange loss (gain), net	107	(429)
Government grant income	-	(11)
Income tax expense		
Under-provision of income tax in prior financial periods	-	7

9.2 Related party and related company transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these condensed interim financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

9.2 Related party and related company transactions (cont’d)

During the financial period, the Group entered into the following significant transactions with related companies and related parties in the normal course of business based on terms agreed between the parties:

	Group First Half	
	30.06.22	30.06.21
	\$’000	\$’000
(i) Tuan Sing Holdings Limited and subsidiaries		
Management fee expense	25	75
Repayments of lease liability	50	50
(ii) Related parties		
Sale of goods	-	(6,690)
Purchase of goods	-	28,790
Interest income from placement of refundable trade deposit	-	(174)
Interest income on overdue trade receivables	-	(20)
Placement of refundable trade deposit*	-	8,070

* The item represented the amount as at the end of the financial period.

In 1H2021, the Group was reliant on two related parties for the supply of 100% of its coal products within its Commodities Trading business segment. The Group supplied 21% of its coal products to a related party customer.

The amounts outstanding are unsecured and will be settled in cash unless otherwise stated. No expense has been recognised during the financial period for bad or doubtful debts in respect of the amounts owed by related parties.

10 (Loss) Earnings per share (cents)

Basic (loss) earnings per share is calculated by dividing the net (loss) profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period:

	Group First Half	
	30.06.22	30.06.21
Net (loss) profit attributable to owners of the Company (\$’000)	(900)	545
Weighted average number of ordinary shares in issue (in ’000)	35,099	35,099
Basic (loss) earnings per share (cents)	(2.56)	1.55

The Company has not granted options over shares. There are no dilutive potential ordinary shares.

SP CORPORATION LIMITED
Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 ("1H2022")

11 Net asset value

	Group		Company	
	30.06.22	31.12.21	30.06.22	31.12.21
Net asset value per ordinary share (in dollar)	1.59	1.59	1.10	1.09
Total number of issued shares* at end of financial period/year (in '000)	35,099	35,099	35,099	35,099

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

12 Plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to \$Nil (30 June 2021: \$6,000) and wrote off assets amounting to \$3,000 (30 June 2021: \$8,000).

13 Trade and other receivables

	Group		Company	
	30.06.22	31.12.21	30.06.22	31.12.21
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Trade receivables	1,671	6,626	-	-
Other receivables	194	143	158	130
	1,865	6,769	158	130
<u>Trade receivables</u>				
Third parties - current	84	59	-	-
Related parties - current	3,110	8,060	-	-
	3,194	8,119	-	-
Less: Loss allowance on interest income on overdue trade receivables				
- related parties	(1,523)	(1,493)	-	-
	1,671	6,626	-	-
<u>Other receivables</u>				
Other receivables - current	236	184	158	130
Less: Loss allowance - related party	(42)	(41)	-	-
	194	143	158	130

13 Trade and other receivables (cont'd)

Trade receivables from third parties

The trade receivables are generally on 30 to 180 days (31 December 2021: 30 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers.

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has not recognised a loss allowance on trade receivables from third parties because historical experience has indicated that these receivables are generally recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Trade receivables from related parties

Certain past due trade amounts due from related parties bear an interest rate of 8% (31 December 2021: 8%) per annum in accordance with the billing terms and the remaining are non-interest bearing. The trade amounts due from related parties are generally on 90 to 180 days (31 December 2021: 90 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loss allowance for amounts due from related parties has always been individually assessed and measured at an amount equal to lifetime ECL. In determining the ECL, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which the related parties operate, in estimating the probability of default of the trade amounts due from related parties as well as the loss upon default. Management has also considered repayments made by the related parties subsequent to the reporting period.

Included in the trade receivables from related parties was an amount of \$1,937,000 (31 December 2021: \$5,617,000) due from a related party, which was secured by two parcels of industrial land and building of the related party in Indonesia valued at approximately IDR195,421,000,000 (31 December 2021: IDR195,421,000,000) [equivalent to \$18,315,000 (31 December 2021: \$18,714,000)] as at the end of the reporting period. A loss allowance of \$419,000 (31 December 2021: \$411,000) representing the interest on overdue trade receivables, has been provided for as at 30 June 2022. (See subsequent events in Note 17.)

The amount due from this related party is expected to be repaid within one year from 30 June 2022 and has been classified as current.

The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount as at 31 December 2021.

An amount of \$1,104,000 (31 December 2021: \$2,443,000) due from another related party was included in trade receivables from related parties as at 30 June 2022. A loss allowance of \$1,104,000 (31 December 2021: \$1,082,000) representing the interest on overdue trade receivables, has been provided for as at 30 June 2022. The overdue trade receivables had been collected in 1H2022.

13 Trade and other receivables (cont’d)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Other receivables

Other receivables of the Group and the Company comprise mainly prepayments, interest receivable from fixed deposits, deposit with a related company and sundry debtors.

14 Share capital

	Group and Company			
	30.06.22	31.12.21	30.06.22	31.12.21
			\$'000	\$'000
Issued and paid up:				
At beginning and end of financial period/year	35,099,132	35,099,132	58,366	58,366

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

15 Trade and other payables

Trade payables of the Group amounting to \$201,000 (31 December 2021: \$19,000) principally comprise amounts outstanding for trade purchases and ongoing costs, and net GST payable (31 December 2021: net GST payable). Other payables of the Group amounting to \$662,000 (31 December 2021: \$685,000) comprise mainly accrued expenses, sundry creditors, and non-trade amount due to a related company, and as at 30 June 2022, non-trade amount due to immediate holding company.

Trade and other payables of the Company comprise mainly accrued expenses, sundry creditors, and non-trade amounts due to subsidiaries and a related company, and as at 30 June 2022, financial guarantee contracts and non-trade amount due to immediate holding company.

SP CORPORATION LIMITED
Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022 ("1H2022")

16 Financial assets and financial liabilities

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	30.06.22	31.12.21	30.06.22	31.12.21
	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>				
<u>Amortised cost</u>				
Trade and other receivables	1,865	6,769	158	130
Less: Prepayments	(122)	(116)	(120)	(105)
	<u>1,743</u>	<u>6,653</u>	<u>38</u>	<u>25</u>
Cash and bank balances	54,699	49,628	12,238	13,136
	<u>56,442</u>	<u>56,281</u>	<u>12,276</u>	<u>13,161</u>
<i>Financial Liabilities</i>				
<u>Amortised cost</u>				
Trade and other payables	863	704	3,647	4,434
Lease liability	332	379	332	379
	<u>1,195</u>	<u>1,083</u>	<u>3,979</u>	<u>4,813</u>

17 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements other than as disclosed below.

Subsequent to the end of the reporting period, the overdue trade receivables from the related party had been collected on 3 August 2022.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1 Review

The condensed consolidated statements of financial position of SP Corporation Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2 Review of Performance of the Group

Financial Performance of the Group (1H2022 vs 1H2021)

The Group did not record any revenue in 1H2022 as compared to \$31.2 million in 1H2021. This was due to the absence of coal delivery. Consequently, there was no gross profit as compared to \$0.8 million in 1H2021.

Other operating income in 1H2021 was \$440,000. This was primarily due to a net foreign currency exchange gain, arising from the appreciation of US dollar against Singapore dollar, and government grant income.

Administrative expenses were \$847,000 as compared to \$871,000 in 1H2021. The decrease of \$24,000 was mainly attributable to lower manpower costs.

Other operating expense in 1H2022 was \$107,000. This was due to a net foreign currency exchange loss, arising primarily from the depreciation of Singapore dollar against US dollar upon the revaluation of Singapore dollar denominated assets by entities whose functional currency is the US dollar.

Interest income was \$62,000 as compared to \$218,000 in 1H2021. The decrease of \$156,000 was mainly due to an absence of interest income from a refundable trade deposit placed with a coal supplier, partially offset by higher interest income from placement of fixed deposits. The trade deposit of US\$6 million (equivalent to \$8 million) was returned by the coal supplier in September 2021.

Interest expense was \$3,000 as compared to \$6,000 in 1H2021. The decrease of \$3,000 was mainly due to the absence of trust receipt interest expense from the utilisation of trade financing facilities for commodities trading.

Income tax expense was \$5,000 as compared to \$69,000 in 1H2021. The decrease of \$64,000 was mainly because of lower provision for deferred tax and an absence of withholding tax expense.

As result of the above, loss after tax in 1H2022 was \$0.9 million as compared to profit after tax of \$0.5 million in 1H2021.

2 Review of Performance of the Group (cont’d)

Financial Position of the Group

The Group’s total assets were \$57.1 million as at 30 June 2022, an increase of \$0.1 million from \$57.0 million as at 31 December 2021. The increase was mainly due to higher cash and bank balances, partially offset by lower trade and other receivables.

Trade and other receivables of the Group as at 30 June 2022 were \$1.9 million as compared to \$6.8 million as at 31 December 2021. The decrease of \$4.9 million was mainly due to collections from customers.

The Group’s total liabilities were \$1.3 million as at 30 June 2022, an increase of \$0.1 million from \$1.2 million as at 31 December 2021. The increase was mainly due to higher trade payables arising from charges incurred in respect of prior coal shipments.

The Company’s total liabilities were \$4.1 million as at 30 June 2022, a decrease of \$0.8 million from \$4.9 million as at 31 December 2021. The decrease was mainly due to repayments of amounts due to subsidiaries.

As at 30 June 2022, shareholders’ fund was \$55.8 million, comparable to \$55.8 million as at 31 December 2021. This was due to operating loss incurred during the financial period, offset by foreign currency translation gain.

The Group maintained a positive working capital of \$55.6 million as at 30 June 2022.

Consolidated Statement of Cash Flows for the Group

During 1H2022, net cash from operating activities of \$4.4 million arose mainly from repayments of trade and other receivables.

Net cash used in financing activities of \$50,000 in 1H2022 was for repayment of lease liability. The trust receipt borrowings for commodities trading in 1H2021 were fully settled by 30 June 2021.

The higher cash and bank balances as at 1 January 2022 were mainly due to repayments of trade and other receivables, including the return of the refundable trade deposit by its coal supplier in 2021.

Consequently, cash and cash equivalents were \$53.0 million as at 30 June 2022, representing an inflow of \$16.7 million since 30 June 2021.

3 Variance from prospect statement

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

Not applicable.

4 Outlook

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

The COVID-19 pandemic and the on-going Ukraine war have dampened the outlook for business and investment. Although the long-term coal purchase agreement with the Indonesian supplier had terminated in December 2021, the Group has continued to explore spot purchases from the coal mine.

The return of the refundable trade deposit by its coal supplier has strengthened the Group’s financial position.

The Group will continue to consider all strategic options for the future.

5 Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share

Not applicable.

(b) (ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

5 Dividend (cont’d)

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

No dividend has been declared or recommended for the financial period ended 30 June 2022. The Company still has accumulated losses as at 30 June 2022.

6 Interested Person Transactions (“IPTs”)

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) should be disclosed. If no IPT mandate has been obtained, a statement to that effect should be made.

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

Name of interested person	Nature of relationship	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)	
		First Half	First Half	First Half	First Half
		30.06.22	30.06.21	30.06.22	30.06.21
		\$'000	\$'000	\$'000	\$'000
William Nursalim alias William Liem & associates	Mr William Nursalim alias William Liem is a director and deemed controlling shareholder of the Company.				
Sales		-	-	-	6,685
Purchases		-	-	-	28,765
Interest income from placement of refundable trade deposit		-	-	-	174
<i>Aggregate value of transactions entered into with the same interested person</i>		-	-	-	35,624
Total interested person transactions		-	-	-	35,624

7 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received the signed undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

8 Negative confirmation pursuant to Rule 705(5)

We, Cheng Hong Kok and William Nursalim alias William Liem, being two directors of SP Corporation Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the results for the six months ended 30 June 2022 to be false or misleading in any material aspect.

Cheng Hong Kok
Chairman

William Nursalim alias William Liem
Interim Executive Director

BY ORDER OF THE BOARD

Ho Wui Mee Marian
Company Secretary
4 August 2022

Important Notes to this Announcement

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. They 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, a 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.

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.