



SP CORPORATION LIMITED

69th ANNUAL GENERAL MEETING

21 April 2022



Group's Performance for FY2021

Group's Performance Financial Year Ended 31 December 2021

Presented by

**Mr William Nursalim alias William Liem
Interim Executive Director**

**Ms Phey Mui Noi
Senior Finance Manager**



Group's Performance for FY2021

- ❖ **Financial Performance for FY2021**
- ❖ **Financial Position as at 31 December 2021**



Financial Performance for FY2021

	FY2021	FY2020	Variance	Variance
	(\$'000)	(\$'000)	(\$'000)	(%)
Revenue	50,269	29,432	20,837	71%
Gross profit	1,037	910	127	14%
(Loss) Profit before tax	(1,368)	1,573	(2,941)	n.m
(Loss) Profit after tax	(1,258)	1,395	(2,653)	n.m
Net (loss) profit attributable to shareholders	(1,258)	1,395	(2,653)	n.m
(Loss) Earnings per share (cents)	(3.58)	3.97	(7.55)	n.m

n.m: not meaningful



Financial Performance for FY2021

Revenue was \$50.3 million (FY2020: \$29.4 million), an increase of \$20.9 million or 71%.

- ❖ Revenue was all generated from commodities trading. Coal trading, which is the core business, contributed 100% to the Group's revenue in FY2021 (FY2020: 91%).
- ❖ The increase in coal revenue was mainly due to higher average selling price and, to a lesser extent, an increase in sales volume, reflecting the gradual recovery from the COVID-19 pandemic.

Gross profit was \$1.0 million (FY2020: \$0.9 million), an increase of \$0.1 million or 14%.

- ❖ The relatively small increase in gross profit was due to the predominantly fixed rate margin for coal trading based on the quantity delivered, and higher transaction costs.

Loss after tax was \$1.3 million (FY2020: Profit after tax of \$1.4 million), a decrease of \$2.7 million, mainly due to:

- ❖ Lower interest income of \$2.2 million.
 - Absence of interest income from a \$21.5 million loan granted to a related party, which was fully repaid in cash in October 2020 (\$1.2 million).
 - Lower interest income from overdue trade receivables (\$0.8 million).
 - Lower interest income from a US\$6 million refundable trade deposit, which was returned by its coal supplier in September 2021 (\$0.2 million).
- ❖ Loss allowance of \$1.5 million on interest receivable arising from overdue trade receivables.
- ❖ Partially offset by lower administrative and other operating expenses, income tax credit and higher gross profit.

Net loss attributable to shareholders for FY2021 was \$1.3 million (FY2020: Net profit of \$1.4 million), a decrease of \$2.7 million.



Financial Position as at 31 December 2021

	31 Dec 2021 (\$'000)	31 Dec 2020 (\$'000)	Variance (\$'000)	Variance (%)
Total assets	56,975	64,559	(7,584)	-12%
Total liabilities	1,170	7,825	(6,655)	-85%
Cash and bank balances	49,628	34,405	15,223	44%
Shareholders' funds	55,805	56,734	(929)	-2%
Net assets per share (dollar)	1.59	1.62	(0.03)	-2%

Total assets were \$57.0 million (2020: \$64.6 million). The decrease was mainly due to the return of interest-bearing refundable trade deposit by a coal supplier.

Total liabilities were \$1.2 million (2020: \$7.8 million). The decrease was mainly due to the absence of coal purchases.

Cash and bank balances were \$49.6 million (2020: \$34.4 million). The increase was mainly due to collections from customers and the return of interest-bearing refundable trade deposit by a coal supplier.

Shareholders' funds were \$55.8 million (2020: \$56.7 million). The decrease was due to operating losses made during the financial year, mainly attributable to a loss allowance on interest receivable arising from overdue trade receivables, net of foreign currency translation gains.



Business Focus

The Group's main business is in coal trading as we have established business partners. Moving forward, management's strategy will be as follows:

- ❖ Continue to engage in coal trading on an ad hoc basis and pursue commodities trading business by leveraging on its established business relationships.
- ❖ Continue to explore new business opportunities to achieve long term growth for the benefit of its shareholders. However, each business opportunity must be evaluated based on its viability and merits. It is an ongoing process.
- ❖ The conflict in Ukraine has caused massive supply chain disruptions and shortages, and the investment and operating environment will be uncertain at least in the short to medium term. Going forward, all options are on the table, and shareholders will be informed when the Board reaches a decision.



Resolutions and Poll Results

Presented by

**Mr Cheng Hong Kok
Non-Executive and Independent Director**



Ordinary Business

Ordinary Resolution 1

To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2021 ("FY2021") and the Independent Auditor's Report.

Poll Results

"For" Votes		"Against" Votes		Total Votes	
No. of Shares	Percentage %	No. of Shares	Percentage %	No. of Shares	Percentage %
28,827,621	99.39%	176,000	0.61%	29,003,621	100%

Ordinary Resolution 1 is carried.



Ordinary Business

Ordinary Resolution 2

To approve the payment of S\$204,608 as Directors' fees for FY2021 (FY2020: S\$179,862).

Poll Results

"For" Votes		"Against" Votes		Total Votes	
No. of Shares	Percentage %	No. of Shares	Percentage %	No. of Shares	Percentage %
28,824,319	99.38%	179,302	0.62%	29,003,621	100%

Ordinary Resolution 2 is carried.



Ordinary Business

Ordinary Resolution 3

To re-elect Mr William Nursalim alias William Liem as a Director.

Poll Results

“For” Votes		“Against” Votes		Total Votes	
No. of Shares	Percentage %	No. of Shares	Percentage %	No. of Shares	Percentage %
28,827,621	99.39%	176,000	0.61%	29,003,621	100%

Ordinary Resolution 3 is carried.



Ordinary Business

Ordinary Resolution 4

To re-elect Mr Peter Sung as a Director.

This resolution has been withdrawn.



Ordinary Business

Ordinary Resolution 5

To re-appoint Deloitte & Touche LLP as Auditors and to authorise the Directors to fix their remuneration.

Poll Results

“For” Votes		“Against” Votes		Total Votes	
No. of Shares	Percentage %	No. of Shares	Percentage %	No. of Shares	Percentage %
28,989,621	99.95%	14,000	0.05%	29,003,621	100%

Ordinary Resolution 5 is carried.



Special Business

Ordinary Resolution 6

Authority to allot and issue shares up to ten per centum (10%) of the issued shares.

Poll Results

“For” Votes		“Against” Votes		Total Votes	
No. of Shares	Percentage %	No. of Shares	Percentage %	No. of Shares	Percentage %
28,827,621	99.39%	176,000	0.61%	29,003,621	100%

Ordinary Resolution 6 is carried.



Special Business

Ordinary Resolution 7

Renewal of the Shareholders' Mandate for Interested Person Transactions.

Poll Results

"For" Votes		"Against" Votes		Total Votes	
No. of Shares	Percentage %	No. of Shares	Percentage %	No. of Shares	Percentage %
681,302	79.47%	176,000	20.53%	857,302	100%

Ordinary Resolution 7 is carried.



Questions and Answers from Shareholders

- Responses published on 16 April 2022
- SGXNet: <https://www.sgx.com/securities/company-announcements>
- Company's website: Responses to Shareholders' Questions for AGM 2022



Thank You