



SP CORPORATION LIMITED

68th ANNUAL GENERAL MEETING

16 April 2021



Group's Performance for FY2020

Group's Performance Financial Year Ended 31 December 2020

Presented by

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



Group's Performance for FY2020

- ❖ **Financial Performance for FY2020**
- ❖ **Financial Position as at 31 December 2020**



Financial Performance for FY2020

	FY2020 (\$'000)	FY2019 (\$'000)	Diff (\$'000)	Diff (%)
Revenue	29,432	93,076	(63,644)	(68%)
Gross profit	910	2,402	(1,492)	(62%)
Profit before tax	1,573	2,969	(1,396)	(47%)
Profit after tax	1,395	2,503	(1,108)	(44%)
Net profit attributable to shareholders	1,395	2,503	(1,108)	(44%)
Earnings per share (cents)	3.97	7.13	3.16	(44%)



Financial Performance for FY2020

Revenue was \$29.4 million (FY2019: \$93.0 million), a decrease of \$63.6 million or 68%.

- ❖ Revenue was all generated from commodities trading. Coal trading, which is the core business, contributed about 91% to the Group's revenue in FY2020 (FY2019: 88%).
- ❖ The decrease was mainly due to lower revenue for coal and rubber trading reflecting the impact of the COVID-19 pandemic, e.g. border closures and lockdowns, thus affecting shipment.
- ❖ The drop in coal price also contributed to the decline in revenue.

Profit after tax was \$1.4 million (FY2019: \$2.5 million), a decrease of \$1.1 million or 44%.

- ❖ The decrease was mainly due to the lower gross profit arising from the reduced sales volume from coal and rubber.

Net profit attributable to shareholders for FY2020 was \$1.4 million (FY2019: \$2.5 million), a decrease of \$1.1 million or 44%.



Financial Position as at 31 December 2020

	31 Dec 2020 (\$'000)	31 Dec 2019 (\$'000)	Diff (\$'000)	Diff (%)
Total assets	64,559	64,178	381	1%
Total liabilities	7,825	8,432	(607)	(7%)
Total borrowings (trust receipts)	-	5,125	(5,125)	(100%)
Cash and bank balances	34,405	5,483	(28,922)	527%
Shareholders' funds	56,734	55,746	988	2%
Net assets per share (dollar)	1.62	1.59	0.03	2%

Cash and bank balances were \$34.4 million (2019: \$5.5 million). The increase was mainly due to repayment of a loan and accrued interest by a related party (\$23.2 million).

Shareholders' funds were \$56.7 million (2019: \$55.7 million). The increase was due to operating profits made during the financial year, net of foreign currency translation losses.



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 leverage on the established business partners for its commodities trading business. We will look for new business partners in the trading operations.**
- ❖ Continue to explore new business opportunities to achieve long term growth for the benefit of its shareholders. However, each business opportunity will have to be evaluated based on its viability and merit.**



Resolutions and Poll Results

Presented by

**Mr Peter Sung
Chairman**



Ordinary Business

Ordinary Resolution 1

To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2020 ("FY2020") and the Independent Auditor's Report thereon.

Poll Results

"For" Votes		"Against" Votes		Total Votes	
No. of Shares	Percentage %	No. of Shares	Percentage %	No. of Shares	Percentage %
28,891,419	100	0	0	28,891,419	100

Ordinary Resolution 1 is carried.



Ordinary Business

Ordinary Resolution 2

To approve the payment of S\$179,862 as Directors' fees for FY2020 (FY2019: S\$206,833).

Poll Results

“For” Votes		“Against” Votes		Total Votes	
No. of Shares	Percentage %	No. of Shares	Percentage %	No. of Shares	Percentage %
28,891,419	100	0	0	28,891,419	100

Ordinary Resolution 2 is carried.



Ordinary Business

Ordinary Resolutions 3 to 10

Ordinary Resolution Number	Resolution	Rule of the SGX-ST Listing Manual
3	To re-elect Mr Leong Kok Ho as a Director.	
4	To re-elect Mr Tan Lye Huat as a Director.	
5	To approve the continued appointment of Mr Tan Lye Huat as an Independent Director by all Shareholders.	210(5)(d)(iii)(A)
6	To approve the continued appointment of Mr Tan Lye Huat as an Independent Director by Shareholders (excluding the Directors and the Chief Executive Officer of the Company, and their respective associates).	210(5)(d)(iii)(B)



Ordinary Business

Ordinary Resolutions 3 to 10 (continue)

Ordinary Resolution Number	Resolution	Rule of the SGX-ST Listing Manual
7	To approve the continued appointment of Mr Cheng Hong Kok as an Independent Director by all Shareholders.	210(5)(d)(iii)(A)
8	To approve the continued appointment of Mr Cheng Hong Kok as an Independent Director by Shareholders (excluding the Directors and the Chief Executive Officer of the Company, and their respective associates).	210(5)(d)(iii)(B)
9	To approve the continued appointment of Mr Peter Sung as an Independent Director by all Shareholders.	210(5)(d)(iii)(A)
10	To approve the continued appointment of Mr Peter Sung as an Independent Director by Shareholders (excluding the Directors and the Chief Executive Officer of the Company, and their respective associates).	210(5)(d)(iii)(B)



Ordinary Business

Ordinary Resolutions 3 to 10 (continue)

Poll Results

Ordinary Resolution Number	“For” Votes	“Against” Votes	Total Votes	% of “For” Votes
3	28,891,419	0	28,891,419	100
4	28,891,419	0	28,891,419	100
5	28,891,419	0	28,891,419	100
6	745,100	0	745,100	100
7	28,891,419	0	28,891,419	100
8	745,100	0	745,100	100
9	28,891,419	0	28,891,419	100
10	745,100	0	745,100	100

Eligible Shareholders have cast their votes in support of Resolutions 3 to 10.

Ordinary Resolutions 3 to 10 are carried.



Ordinary Business

Ordinary Resolution 11

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 %
28,891,419	100	0	0	28,891,419	100

Ordinary Resolution 11 is carried.



Special Business

Ordinary Resolution 12

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 %
28,891,419	100	0	0	28,891,419	100

Ordinary Resolution 12 is carried.



Special Business

Ordinary Resolution 13

Renewal of 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 %
745,100	100	0	0	745,100	100

Ordinary Resolution 13 is carried.



Q&A

Questions and Answers

Presented by

**Mr Peter Sung
Chairman**



Questions raised by Shareholders

Question 1 : Dividends

Whilst trying to find a new core business, the Group has been sitting on a pile of cash and has not paid any single dividend despite being profitable all these years? Could I suggest that the board pay out \$2m in dividends per year given the significant cash pile, as Shareholders would have borne the opportunity cost of sitting on a non-dividend paying company all these years?

Question 2 : Share price vs NTA

The NTA of the Group is \$1.62 per share and the share price is less than half of it. What steps does the Group take to narrow the gap?



Questions raised by Shareholders

Question 3 : Sanya project

Why does the Group opt for the return of \$20 million loan from a related party instead of shares from SSRE? With the return of the loan, is the Group still involved in the Sanya project?

Question 4 : Long term strategy

SP Corporation has been looking for a new direction for a while still holding on to the commodities trading business. To date, we have not seen much progress given lending some of its excess cash to the Sanya development project. Could the Board advise what is the long term strategy of the Company and what could Shareholders look forward to?



Answers to Questions raised by Shareholders

1. Dividends

2. Share price vs NTA

3. Sanya project

- ❖ Any more involvement?
- ❖ Why take back the loan instead of converting to shares?

4. Long term strategy

- ❖ Continue to focus on commodities trading
- ❖ Explore new business opportunities
- ❖ The cash in hand – ready for suitable investment opportunities

(Details are verbally provided during the webcast)



Thank You