



# SP CORPORATION LIMITED

(Company Registration No. 195200115k)

## FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 ("FY2016")

### 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		
		31.12.16	31.12.15	+ / (-)
		\$'000	\$'000	%
<b>Revenue</b>	<b>a</b>	125,640	119,675	5
Cost of sales		(120,618)	(114,024)	6
<b>Gross profit</b>	<b>a</b>	5,022	5,651	(11)
Other operating income	<b>b</b>	689	504	37
Distribution costs		(2,136)	(2,227)	(4)
Administrative expenses		(3,148)	(3,176)	(1)
Other operating expenses	<b>c</b>	(1)	(89)	(99)
Interest income	<b>d</b>	1,835	976	88
Interest expense	<b>e</b>	(9)	(25)	(64)
<b>Profit before tax</b>		2,252	1,614	40
Income tax expense	<b>f</b>	(450)	(148)	204
<b>Profit for the financial year</b>		1,802	1,466	23
<b>Profit attributable to Owners of the Company</b>		1,802	1,466	

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**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**

	Note	Group Full Year		
		31.12.16 \$'000	31.12.15 \$'000	+ / (-) %
<b>Profit for the financial year</b>		1,802	1,466	23
<b>Other comprehensive income for the financial year:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	<b>g</b>	818	1,300	(37)
<b>Total comprehensive income for the financial year</b>		<u>2,620</u>	<u>2,766</u>	(5)
<b>Total comprehensive income attributable to Owners of the Company</b>		<u>2,620</u>	<u>2,766</u>	(5)

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

	Note	Group Full Year	
		31.12.16 \$'000	31.12.15 \$'000
Depreciation of plant and equipment		(172)	(167)
Gain on disposal of plant and equipment		1	1
Foreign currency exchange gain, net	<b>b, c</b>	360	324
Write-back of doubtful trade receivables	<b>b, c</b>	-	1
Allowance for inventory obsolescence	<b>b, c</b>	(1)	(89)
Under provision of income tax in respect of prior years	<b>f</b>	(102)	(50)

**Note:**

- Revenue in FY2016 was 5% higher mainly attributable to higher commodities trading, partially offset by lower revenue from tyre distribution. Gross profit margin was lower than FY2015 mainly because of margin erosion in coal and metal trading.
- Higher other operating income was contributed by an increase in handling fee arising from increased coal deliveries, the write-back of over-accrued reinstatement cost on office premise in the previous year and higher foreign currency exchange gain.
- Other operating expenses decreased reflecting lower allowance for inventory obsolescence.
- Higher interest income reflected interest charged on higher level of overdue trade receivables.
- More cash available for trading led to lower utilisation of trust receipt for commodities trading and lower interest expense.
- Income tax expense increased mainly due to the under provision of prior years' taxation and an increase in withholding tax on higher level of overseas interest income remitted back to Singapore.
- Translation gain arose due to the appreciation of US dollar against Singapore dollar upon consolidation of subsidiaries whose functional currency is US dollar.

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**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**

		Group		Company	
		31.12.16	31.12.15	31.12.16	31.12.15
	Note	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment		375	530	184	223
Investment in subsidiaries		-	-	18,413	17,973
<i>Total non-current assets</i>		375	530	18,597	18,196
<b>Current assets</b>					
Inventories	h	759	914	-	-
Trade and other receivables	i	51,901	62,168	19,262	19,252
Tax recoverable		110	112	69	84
Cash and bank balances	l, n	24,826	12,999	2,449	1,753
<i>Total current assets</i>		77,596	76,193	21,780	21,089
<b>Total assets</b>		77,971	76,723	40,377	39,285
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		58,366	58,366	58,366	58,366
Translation reserve		1,628	810	-	-
Accumulated losses		(7,010)	(8,812)	(19,173)	(20,349)
<i>Total equity</i>		52,984	50,364	39,193	38,017
<b>Non-current liability</b>					
Deferred tax	j	54	24	1	4
<b>Current liabilities</b>					
Trade and other payables	k	24,567	26,192	1,092	1,174
Income tax payable		366	143	91	90
<i>Total current liabilities</i>		24,933	26,335	1,183	1,264
<b>Total equity and liabilities</b>		77,971	76,723	40,377	39,285

**Note:**

- h. The decrease in inventories reflected lower level of activities in tyre distribution.
- i. Trade and other receivables declined largely due to a decrease in advance to suppliers by approximately \$5.3 million upon completion of certain coal orders and a machinery deal, and accelerated collections.
- j. The increase in deferred tax was a result of a higher level of unremitted overseas interest receivables.
- k. Trade and other payables reduced primarily due to the completion of the machinery deal (refer to note (i)), lower volume of tyres purchase, and timing of lumpy payments to trade creditors.

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

**Amount repayable in one year or less, or on demand**

As at 31.12.16		As at 31.12.15	
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	
		31.12.16 \$'000	31.12.15 \$'000
<b>Operating Activities</b>			
Profit before tax		2,252	1,614
<i>Adjustments for:</i>			
Depreciation of plant and equipment		172	167
Gain on disposal of plant and equipment		(1)	(1)
Write-back of doubtful trade receivables		-	(1)
Allowance for inventory obsolescence		1	89
Interest expense		9	25
Interest income		(1,835)	(976)
Fair value loss (gain) on forward contracts, unrealised		327	(271)
<b>Operating cash flows before movements in working capital</b>		925	646
Inventories		154	216
Trade and other receivables		11,294	(11,509)
Restricted bank balances		750	(1,748)
Trade and other payables		(3,237)	3,078
<b>Cash generated from (used in) operations</b>		9,886	(9,317)
Interest paid		(9)	(25)
Interest received		2,061	968
Income tax paid, net		(210)	(390)
<b>Net cash from (used in) operating activities</b>	<b>I</b>	11,728	(8,764)
<b>Investing Activities</b>			
Proceeds on disposal of plant and equipment		1	1
Payments for acquisition of plant and equipment		(17)	(392)
<b>Net cash used in investing activities</b>		(16)	(391)
<b>Financing Activities</b>			
Proceeds from borrowings		900	19,690
Repayment of borrowings		(900)	(19,690)
<b>Net cash from financing activities</b>	<b>m</b>	-	-
Net increase (decrease) in cash and cash equivalents		11,712	(9,155)
Cash and cash equivalents at the beginning of financial year		9,569	18,141
Effects of exchange rate changes on the balance of cash held in foreign currencies		865	583
<b>Cash and cash equivalents at the end of financial year</b>	<b>n</b>	22,146	9,569

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**Note:**

- l. Net cash generated during the financial year of \$11.7 million was from operating activities which in turn reflected mainly lower sum of advances to suppliers upon fulfillment of order placements, lower sum of deposits pledged for trade facilities, an increase in the receipt of interest income, accelerated collections of trade receivables, and timing of lumpy payments to creditors.
- m. Borrowings were only during 1Q2016 in the form of trust receipts for commodities trading which were all settled in the same quarter.
- n. Cash and cash equivalents as at 31 December 2016 excluded a sum of \$2,680,000 (2015: \$3,430,000) 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**

	Attributable to owners of the Company			
	Share Capital	Translation Reserve (Account)	Accumulated Losses	Total Equity
	\$'000	\$'000	\$'000	\$'000
<b>The Group</b>				
<b>At 1 January 2016</b>	58,366	810	(8,812)	50,364
<i>Total comprehensive income for the financial year</i>				
Profit for the financial year	-	-	1,802	1,802
Other comprehensive income for the financial year	-	818	-	818
<b>At 31 December 2016</b>	<u>58,366</u>	<u>1,628</u>	<u>(7,010)</u>	<u>52,984</u>
<b>At 1 January 2015</b>	58,366	(490)	(10,278)	47,598
<i>Total comprehensive income for the financial year</i>				
Profit for the financial year	-	-	1,466	1,466
Other comprehensive income for the financial year	-	1,300	-	1,300
<b>At 31 December 2015</b>	<u>58,366</u>	<u>810</u>	<u>(8,812)</u>	<u>50,364</u>
<b>The Company</b>				
<b>At 1 January 2016</b>	58,366	-	(20,349)	38,017
Profit for the financial year, representing total comprehensive income for the financial year	-	-	1,176	1,176
<b>At 31 December 2016</b>	<u>58,366</u>	<u>-</u>	<u>(19,173)</u>	<u>39,193</u>
<b>At 1 January 2015</b>	58,366	-	(21,225)	37,141
Profit for the financial year, representing total comprehensive income for the financial year	-	-	876	876
<b>At 31 December 2015</b>	<u>58,366</u>	<u>-</u>	<u>(20,349)</u>	<u>38,017</u>

**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>31.12.16</u>	<u>31.12.15</u>	<u>31.12.16</u>	<u>31.12.15</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 and the Company has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with those used in the audited financial statements for the financial year ended 31 December 2015.

**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 all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2016 and are relevant to its operations. The adoption of these new/revised FRS and INT FRS 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 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	
	31.12.16	31.12.15
i) Earnings per ordinary share based on weighted average number of shares (in cent)	5.13	4.18
ii) Earnings per ordinary share based on fully diluted basis (in cent)	5.13	4.18
Weighted average number of ordinary shares (in million)	35.10	35.10

As there were no outstanding potentially dilutive ordinary shares, the diluted earnings per ordinary share were accordingly the same as the earnings per ordinary share for the respective financial year.

Earnings per share is calculated by dividing the net profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

**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	
	31.12.16	31.12.15	31.12.16	31.12.15
Net asset value per ordinary share (in dollar)	1.51	1.43	1.12	1.08
Total number of issued shares* at the end of the financial year (in million)	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**

The Group posted revenue of \$125.6 million in FY2016, a 5% increase as compared to \$119.7 million in FY2015. There was higher level of commodities trading offset partially by a decline in tyre distribution. Profit after tax was \$1.8 million as compared to \$1.5 million in FY2015. The increase of \$0.3 million was mainly attributable to an increase in interest income, handling fee, foreign currency exchange gain, and lower operating expenses.

Commodities Trading Unit registered revenue of \$109.3 million in FY2016, a \$9.5 million or 10% increase over \$99.8 million in FY2015. This was primarily attributable to the higher coal trading but partially offset by lower revenue from other commodities and consumer products. The Unit's profit before tax of \$2.5 million in FY2016 was 30% higher than the \$1.9 million in FY2015 mainly because of higher interest income and handling fee.

Tyre Distribution Unit faced intensive price competition and the consequential weaker demands. Consequently, revenue dropped 18% to \$16.3 million, from \$19.9 million a year ago. Loss before tax was \$0.9 million, the same as in last financial year.

- 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**

The Group expects business conditions to remain challenging amidst uncertainties in the major economies. Difficult operating environment coupled with volatility in commodity prices and prevailing intense competition will continue to exert pressure on the Group's results. The Group will continue to optimise its existing businesses through improved productivity and cost management.

- 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 2016.



**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	Tyre Distribution \$'000	Corporate and Others \$'000	Inter-segment Eliminations \$'000	Consolidated \$'000
<b>Financial year ended 31 December 2016</b>					
<b>Revenue</b>					
- External customers	109,331	16,309	-	-	125,640
- Inter-segment	-	-	3,040	(3,040)	-
Total segment revenue	109,331	16,309	3,040	(3,040)	125,640
<b>Result</b>					
Segment result	870	(932)	480	8	426
Interest income	1,824	19	217	(225)	1,835
Interest expense	(234)	-	-	225	(9)
Profit before tax	2,460	(913)	697	8	2,252
Income tax expense					(450)
Profit after tax					1,802
<b>Assets</b>					
Segment assets	70,921	3,708	3,232	-	77,861
Unallocated assets					110
Total assets					77,971
<b>Liabilities</b>					
Segment liabilities	22,281	1,231	1,055	-	24,567
Unallocated liabilities					420
Total liabilities					24,987
<b>Other information</b>					
Capital expenditure	2	10	5	-	17
Depreciation of plant and equipment	7	121	44	-	172
Gain on disposal of plant and equipment	-	(1)	-	-	(1)
Allowance for inventory obsolescence	-	1	-	-	1

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	Commodities Trading \$'000	Tyre Distribution \$'000	Corporate and Others \$'000	Inter-segment Eliminations \$'000	Consolidated \$'000
<b>Financial year ended 31 December 2015</b>					
<b>Revenue</b>					
- External customers	99,820	19,855	-	-	119,675
- Inter-segment	-	-	3,040	(3,040)	-
Total segment revenue	99,820	19,855	3,040	(3,040)	119,675
<b>Result</b>					
Segment result	1,223	(924)	365	(1)	663
Interest income	953	20	215	(212)	976
Interest expense	(237)	-	-	212	(25)
Profit before tax	1,939	(904)	580	(1)	1,614
Income tax expense					(148)
Profit after tax					1,466
<b>Assets</b>					
Segment assets	67,388	6,650	2,573	-	76,611
Unallocated assets					112
Total assets					76,723
<b>Liabilities</b>					
Segment liabilities	20,486	4,706	1,000	-	26,192
Unallocated liabilities					167
Total liabilities					26,359
<b>Other information</b>					
Capital expenditure	13	177	202	-	392
Depreciation of plant and equipment	5	105	57	-	167
Gain on disposal of plant and equipment	-	(1)	-	-	(1)
Write-back of doubtful trade receivables	-	(1)	-	-	(1)
Allowance for inventory obsolescence	-	89	-	-	89

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Geographical Segments - Based on location of customer	Group					
	Revenue from external customers Full Year		Non-current assets		Capital expenditure	
	31.12.16	31.12.15	31.12.16	31.12.15	31.12.16	31.12.15
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	76,409	68,854	312	454	14	315
China including Hong Kong	23,508	13,668	-	-	-	-
Indonesia	9,254	13,453	-	-	-	-
Malaysia	8,012	8,196	63	76	3	77
Germany	-	7,452	-	-	-	-
Other ASEAN countries	5,519	4,714	-	-	-	-
Brunei	1,830	2,097	-	-	-	-
Others	1,108	1,241	-	-	-	-
	<u>125,640</u>	<u>119,675</u>	<u>375</u>	<u>530</u>	<u>17</u>	<u>392</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		+ / (-)
	31.12.16	31.12.15	
	\$'000	\$'000	%
(a) Revenue reported for first half year	53,328	53,603	-1%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	178	176	1%
(c) Revenue reported for second half year	72,312	66,072	9%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	<u>1,624</u>	<u>1,290</u>	26%

## 16. Interested Person Transactions

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

Name of interested person	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Group Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than \$100,000)	
	Full Year		Full Year	
	31.12.16 \$'000	31.12.15 \$'000	31.12.16 \$'000	31.12.15 \$'000
<b>Sales</b>				
William Nursalim alias William Liem & associates	-	-	9,445	3,565
Nuri Holdings (S) Pte Ltd & associates	-	-	4,676	1,014
<b>Purchases</b>				
William Nursalim alias William Liem & associates	-	-	37,113	25,930
<b>Placement of trade deposit</b>				
William Nursalim alias William Liem & associates	-	-	8,689	8,435
<b>Interest income from placement of trade deposit</b>				
William Nursalim alias William Liem & associates	-	-	435	387
<b>Interest income from overdue trade receivables</b>				
William Nursalim alias William Liem & associates	-	-	233	-
Nuri Holdings (S) Pte Ltd & associates	-	-	386	-
<b>Management fee expense</b>				
Tuan Sing Holdings Limited & associates	-	-	150	150
<b>Advance for coal order placement *</b>				
William Nursalim alias William Liem & associates	-	-	3,476	4,897
<b>Progress billing on order placement *</b>				
William Nursalim alias William Liem & associates	-	-	108	-
Nuri Holdings (S) Pte Ltd & associates	-	-	-	4,164
<b>Total interested persons transactions</b>	-	-	64,711	48,542

\* The items represented the amounts as at financial year end.

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- (b) A corporate exercise in May 2016 involving a director and his associates has necessitated the classification of transactions post the exercise with a third party to those of interested persons'. Accordingly, the disclosure under (a) above has reflected the effect of the said exercise and that the relevant disclosure made on 26 October 2016 for the 3Q2016 results announcement is to be restated. The before and after effect of the restatement is presented below:

Name of interested person	Group							
	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than \$100,000)				Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than \$100,000)			
	As Restated				As Previously Announced			
	Third Quarter		Nine Months		Third Quarter		Nine Months	
	30.09.16		30.09.16		30.09.16		30.09.16	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Sales</b>								
William Nursalim alias William Liem & associates	3,081	-	3,081	-	-	-	-	-
<b>Interest income from overdue trade receivables</b>								
William Nursalim alias William Liem & associates	233	-	233	-	-	-	-	-

**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)	75	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	50	Brother-in-law of Michelle Liem Mei Fung (Deemed Substantial Shareholder of the Company).	General Manager, Globaltraco International Pte Ltd, a subsidiary of the Company, since 1 September 2015.	N.A.

**BY ORDER OF THE BOARD**

Helena Chua  
Company Secretary  
25 January 2017

**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.

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 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.

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.