



SP CORPORATION LIMITED

(Company Registration No. 195200115k)

FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

		Group		
		31.12.13	31.12.12	+ / (-)
	Note	\$'000	\$'000	%
Revenue	a	152,591	173,311	(12)
Cost of sales		(143,698)	(163,956)	(12)
Gross profit	a	8,893	9,355	(5)
Other operating income	b	95	32	197
Distribution costs	c	(2,591)	(2,300)	13
Administrative expenses	d	(4,229)	(4,945)	(14)
Other operating expenses	e	(194)	(474)	(59)
Finance income	f	575	839	(31)
Finance costs		-	(38)	n.m
Profit before tax		2,549	2,469	3
Income tax expense		(146)	(357)	(59)
Profit for the financial year		2,403	2,112	14
Profit attributable to Owners of the Company		2,403	2,112	

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

	Note	Group		
		31.12.13	31.12.12	+ / (-)
		\$'000	\$'000	%
Profit for the financial year		2,403	2,112	14
Other comprehensive income for the financial year:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	g	670	(896)	n.m
Translation account reclassified to profit or loss on liquidation of a subsidiary	e	46	-	n.m
Total comprehensive income for the financial year		<u>3,119</u>	<u>1,216</u>	156
Total comprehensive income attributable to Owners of the Company		<u>3,119</u>	<u>1,216</u>	156

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

	Note	Group	
		31.12.13	31.12.12
		\$'000	\$'000
Write-back (Allowance) for doubtful trade receivables, net	b, e	44	(62)
Gain (Loss) on disposal of plant and equipment, net	e	2	(142)
Plant and equipment written off	e	(2)	(148)
Foreign currency exchange loss, net	e	(126)	(91)
Allowance of inventory obsolescence	e	(18)	(15)
Inventories written off	e	(2)	(16)
Loss on liquidation of a subsidiary	e	(46)	-
Depreciation of plant and equipment	h	(135)	(207)
Over (Under) provision of income tax in respect of prior years		154	(47)

Note:

- Revenue for FY2013 was lower than FY2012 because of lower commodities trading in coal and metals and lower tyre sales. Besides, there was also absence of revenue from the Singapore operations of the Geotechnical & Soil Investigation Unit which had been scaled down since the last financial year. Accordingly, gross profit of the Group for FY2013 was lower than that in FY2012.
- Other operating income was higher in FY2013 mainly attributable to the write-back of allowance for doubtful trade receivables.
- Distribution costs were higher than FY2012 largely due to higher promotional expenses and higher labour costs.
- Lower administrative expenses in FY2013 were a reflection of cost savings from the scaling down of the Geotechnical & Soil Investigation Unit's operations.
- Other operating expenses were significantly lower in FY2013 mainly due to the absence of losses on disposal / write-off of plant and equipment and allowance for doubtful trade receivables. These were partially offset by higher foreign currency exchange loss due to the weakening of Singapore dollar against US dollar and loss on liquidation of an overseas subsidiary.

SP CORPORATION LIMITED
Full Year Results for the Year Ended 31 December 2013

- f. Finance income comprised primarily interest earned from the refundable deposit placed with a coal supplier and late-payment interest on overdue trade receivable from an Indonesian gold mine ("the Gold Mine"). Finance income for FY2013 was lower due to the waiver of late-payment interest payable by the Gold Mine in view of its full settlement of US\$1 million in FY2013.
- g. The translation gain in FY2013 was mainly attributable to the strengthening of US dollar upon consolidation of subsidiaries whose functional currency is the US dollar.
- h. Lower depreciation reflected the disposal of plant and equipment by the Geotechnical & Soil Investigation Unit in the previous financial 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	
		31.12.13	31.12.12	31.12.13	31.12.12
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Plant and equipment	i	436	214	120	26
Investments in subsidiaries		-	-	17,216	17,132
<i>Total non-current assets</i>		<u>436</u>	<u>214</u>	<u>17,336</u>	<u>17,158</u>
Current assets					
Inventories		1,747	1,724	-	-
Trade receivables, other receivables and refundable deposit	j	44,366	50,335	14,330	12,591
Cash and bank balances		24,736	17,616	5,954	6,940
<i>Total current assets</i>		<u>70,849</u>	<u>69,675</u>	<u>20,284</u>	<u>19,531</u>
Total assets		<u>71,285</u>	<u>69,889</u>	<u>37,620</u>	<u>36,689</u>
EQUITY AND LIABILITIES					
Equity					
Share capital		58,366	58,366	58,366	58,366
Translation account		(1,459)	(2,175)	-	-
Accumulated losses		(12,409)	(14,812)	(22,103)	(23,746)
<i>Total equity</i>		<u>44,498</u>	<u>41,379</u>	<u>36,263</u>	<u>34,620</u>
Non-current liability					
Deferred tax		35	29	13	4
Current liabilities					
Trade and other payables	k	26,339	27,827	1,334	1,889
Income tax payable		413	654	10	176
<i>Total current liabilities</i>		<u>26,752</u>	<u>28,481</u>	<u>1,344</u>	<u>2,065</u>
Total equity and liabilities		<u>71,285</u>	<u>69,889</u>	<u>37,620</u>	<u>36,689</u>

Note:

- i. The increase in plant and equipment was largely due to the relocation and consolidation of its Tyre and Auto Products Unit from premises in Jalan Pemimpin and Tagore Drive to Woodlands Sector 1. Besides, there was also refurbishing costs incurred for the new corporate office at Shenton Way.
- j. Lower trade receivables, other receivables and refundable deposit were mainly due to improved efforts in trade debt collection and full settlement of US\$1 million from the Gold Mine in accordance with the agreed repayment schedule.
- k. The decrease in trade and other payables was due to the timing of payment to suppliers.

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

Amount repayable in one year or less, or on demand

As at 31.12.13		As at 31.12.12	
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	
		31.12.13 \$'000	31.12.12 \$'000
Operating Activities			
Profit before tax		2,549	2,469
Adjustments for:			
Depreciation of plant and equipment		135	207
(Gain) Loss on disposal of plant and equipment, net		(2)	142
Plant and equipment written off		2	148
(Write back) Allowance for doubtful trade receivables, net		(44)	62
Allowance of inventory obsolescence, net		18	15
Inventories written off		2	16
Interest expense		-	38
Interest income		(575)	(839)
Loss on liquidation of a subsidiary		46	-
Operating cash flows before movements in working capital		2,131	2,258
Inventories		(43)	426
Trade receivables, other receivables and refundable deposit		5,098	11,973
Restricted bank balances		1,712	1,194
Trade and other payables		(1,481)	(2,722)
Currency translation adjustments of subsidiaries		409	(478)
Cash generated from operations		7,826	12,651
Interest paid		-	(48)
Interest received		1,292	705
Income tax paid, net		(190)	(136)
Net cash from operating activities		8,928	13,172
Investing Activities			
Proceeds on disposal of plant and equipment		3	157
Payments for acquisition of plant and equipment		(360)	(64)
Net cash (used in) from investing activities		(357)	93
Financing Activities			
Proceeds from borrowings		-	9,905
Repayments of borrowings		-	(17,199)
Net cash used in financing activities		-	(7,294)
Effects of exchange rate changes on the balance of cash held in foreign currencies		261	(402)
Net increase in cash and cash equivalents		8,571	5,971
Cash and cash equivalents at beginning of financial year		14,209	8,640
Cash and cash equivalents at end of financial year	I	23,041	14,209

SP CORPORATION LIMITED
Full Year Results for the Year Ended 31 December 2013

Note:

- I. Cash and cash equivalents at the year end excluded a sum of \$1,695,000 (31 December 2012: \$3,407,000) which had been pledged to banks as collateral for trade and credit facilities received by certain subsidiaries.

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 \$'000	Translation Account \$'000	Accumulated Losses \$'000	Total Equity \$'000
The Group				
At 1 January 2013	58,366	(2,175)	(14,812)	41,379
<i>Total comprehensive income for the financial year</i>				
Profit for the financial year	-	-	2,403	2,403
Other comprehensive income for the financial year	-	716	-	716
At 31 December 2013	<u>58,366</u>	<u>(2,175)</u>	<u>(14,812)</u>	<u>44,498</u>
At 1 January 2012	58,366	(1,279)	(16,924)	40,163
<i>Total comprehensive income for the financial year</i>				
Profit for the financial year	-	-	2,112	2,112
Other comprehensive income for the financial year	-	(896)	-	(896)
At 31 December 2012	<u>58,366</u>	<u>(2,175)</u>	<u>(14,812)</u>	<u>40,163</u>
The Company				
At 1 January 2013	58,366	-	(23,746)	34,620
Profit for the financial year, representing total comprehensive income for the financial year	-	-	36,263	36,263
At 31 December 2013	<u>58,366</u>	<u>-</u>	<u>12,517</u>	<u>70,883</u>
At 1 January 2012	58,366	-	(26,964)	31,402
Profit for the financial year, representing total comprehensive income for the financial year	-	-	3,218	3,218
At 31 December 2012	<u>58,366</u>	<u>-</u>	<u>(23,746)</u>	<u>34,620</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>31.12.2013</u>	<u>31.12.2012</u>	<u>31.12.2013</u>	<u>31.12.2012</u>
Total number of issued ordinary shares	350.99 million	350.99 million	350.99 million	350.99 million

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 attached for auditors' report.

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 as compared with those used in the audited financial statements for the financial year ended 31 December 2012.

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 FRSs and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2013 and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs 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	
	31.12.13	31.12.12
i) Earnings per ordinary share based on weighted average number of shares (in cent)	0.68	0.60
ii) Earnings per ordinary share based on fully diluted basis (in cent)	0.68	0.60
Weighted average number of ordinary shares (in millions)	350.99	350.99

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.

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	
	31.12.13	31.12.12	31.12.13	31.12.12
Net asset value per ordinary share (in cents)	12.68	11.79	10.33	9.86
Total number of issued shares* at the end of the financial year (in millions)	350.99	350.99	350.99	350.99

* 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 recorded revenue of \$152.6 million in FY2013 as compared to \$173.3 million in FY2012.

Commodities Trading Unit reported lower revenue in FY2013 of \$115.5 million as compared to \$127.6 million in FY2012 mainly due to lower trading in coal and metals. Earnings for FY2013 remained comparable to FY2012 as a result of lower finance charges and manpower costs.

Tyre & Auto Products Unit's revenue of \$37.0 million in FY2013 was 12% lower than the \$41.9 million in FY2012 due to lower activities in both the export and domestic markets. Correspondingly, the Unit reported lower earnings.

Geotechnical & Soil Investigation Unit did not generate any revenue in FY2013 following the scaling down of the Singapore operation since FY2012. Loss after tax had been reduced significantly.

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 the prospects for the tyre and commodity trading businesses to remain challenging. The unfavourable weather conditions in Indonesia have affected the coal production and supply. The coal prices in Indonesia continue to be under pressure with increasing cautiousness exercised by the consumers amidst uncertainties created by the upcoming election there.

The Group remains vigilant over the challenges presented by the global economic environment and strives to rejuvenate its business operations through strengthening and expanding its network of core suppliers, customers and dealers.

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 2013.

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	Geotechnical and Soil Investigation \$'000	Tyre and Auto Products \$'000	Corporate and others \$'000	Inter- segment Eliminations \$'000	Consolidated \$'000
Financial year ended 31 December 2013						
Revenue						
- External customers	115,542	-	37,021	28	-	152,591
- Inter-segment	-	-	-	3,190	(3,190)	-
Total segment revenue	115,542	-	37,021	3,218	(3,190)	152,591
Result						
Segment result	1,837	(187)	183	277	(136)	1,974
Finance income	570	2	3	-	-	575
Profit before tax	2,407	(185)	186	277	(136)	2,549
Income tax expense						(146)
Profit after tax						2,403
Assets						
Segment assets	50,363	2,345	12,402	6,157	-	71,267
Unallocated assets						18
Total assets						71,285
Liabilities						
Segment liabilities	17,274	250	7,852	963	-	26,339
Unallocated liabilities						448
Total liabilities						26,787
Other information						
Capital expenditure	11	-	204	145	-	360
Depreciation	3	2	81	49	-	135
Gain on disposal of plant and equipment, net	-	-	-	(2)	-	(2)
Plant and equipment written off	-	-	2	-	-	2
Write-back for doubtful trade receivables, net	-	(27)	(17)	-	-	(44)
Allowance for inventory obsolescence, net	-	-	18	-	-	18
Inventories written off	-	-	2	-	-	2

SP CORPORATION LIMITED
Full Year Results for the Year Ended 31 December 2013

	Commodities Trading \$'000	Geotechnical and Soil Investigation \$'000	Tyre and Auto Products \$'000	Corporate and others \$'000	Inter- segment Eliminations \$'000	Consolidated \$'000
Financial year ended 31 December 2012						
Revenue						
- External customers	127,571	3,827	41,913	-	-	173,311
- Inter-segment	-	-	3	5,529	(5,532)	-
Total segment revenue	127,571	3,827	41,916	5,529	(5,532)	173,311
Result						
Segment result	2,179	(2,214)	975	2,776	(2,048)	1,668
Finance income	460	379	-	-	-	839
Finance costs	(38)	-	-	-	-	(38)
Profit before tax	2,601	(1,835)	975	2,776	(2,048)	2,469
Income tax expense						(357)
Profit after tax						2,112
Assets						
Segment assets	50,429	2,550	9,667	7,027	-	69,673
Unallocated assets						216
Total assets						69,889
Liabilities						
Segment liabilities	18,776	327	7,663	1,061	-	27,827
Unallocated liabilities						683
Total liabilities						28,510
Other information						
Capital expenditure	7	-	57	-	-	64
Depreciation	9	92	64	42	-	207
Loss (Gain) on disposal of plant and equipment, net	-	143	(1)	-	-	142
Plant and equipment written off	-	148	-	-	-	148
Allowance (Write-back) for doubtful trade receivables, net	-	63	(1)	-	-	62
Allowance for inventory obsolescence, net	-	-	15	-	-	15
Inventories written off	-	12	4	-	-	16

SP CORPORATION LIMITED
Full Year Results for the Year Ended 31 December 2013

Geographical Segments - Based on location of customer	Revenue from external customers		Non-current assets		Capital expenditure	
	31.12.13 \$'000	31.12.12 \$'000	31.12.13 \$'000	31.12.12 \$'000	31.12.13 \$'000	31.12.12 \$'000
Singapore	62,210	58,535	434	211	359	62
Indonesia	24,424	31,141	-	2	-	-
Malaysia	11,924	12,242	2	1	1	2
Other ASEAN countries	15,481	20,265	-	-	-	-
China including Hong Kong	4,653	5,244	-	-	-	-
Switzerland	30,443	38,224	-	-	-	-
Germany	-	4,536	-	-	-	-
Others	3,456	3,124	-	-	-	-
	<u>152,591</u>	<u>173,311</u>	<u>436</u>	<u>214</u>	<u>360</u>	<u>64</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		% Increase (decrease)
	31.12.13 \$'000	31.12.12 \$'000	
(a) Revenue reported for first half year	86,632	96,113	(10%)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	1,439	1,343	7%
(c) Revenue reported for second half year	65,959	77,198	(15%)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	964	769	25%

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		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 transaction less than \$100,000)	
	31.12.13	31.12.12	31.12.13	31.12.12
	\$'000	\$'000	\$'000	\$'000
Sales				
William Nursalim alias William Liem & associates	-	-	4,521	5,314
Purchases				
William Nursalim alias William Liem & associates	-	-	42,416	56,390
Placement of trade deposit *)				
William Nursalim alias William Liem & associates	-	-	-	7,527
Interest income from placement of trade deposit				
William Nursalim alias William Liem & associates	-	-	368	286
Interest income for late payment				
William Nursalim alias William Liem & associates	-	-	-	375
Office rental and management fees				
William Nursalim alias William Liem & associates	-	-	455	386
Tuan Sing Holdings Limited & associates	-	-	274	455
Sale of equipment & inventories				
William Nursalim alias William Liem & associates	-	-	-	148
Total interested persons transactions	<u>-</u>	<u>-</u>	<u>48,034</u>	<u>70,881</u>

*) The trade deposit, which is subject to yearly renewal by mutual agreement, has been renewed for 1 year till 31 July 2014 and is interest-bearing at 4.67% (2012: 5.04%) per annum.

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. 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)	71	Uncle of William Nursalim alias William Liem and Liem Chin Chiang (Non-Executive Directors of the Company). Uncle of Michelle Liem Mei Fung and Liem Mei Kim (Deemed Substantial Shareholders of the Company).	Managing Director and Chief Executive Officer of the Company since 1 August 2010.	N.A.

BY ORDER OF THE BOARD

Mary Goh Swon Ping
 Company Secretary
 28 January 2014

Important Notes to this Announcement

All statements other than statements of historical facts included in this announcement are or may be forward-looking statements. Forward-looking statements involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from these expressed in forward-looking statements as a result of changes of these assumptions, risks, and uncertainties.

Examples of these factors include, but not limited to, general industry and economic conditions, interest 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 customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the Company on future events. The Company undertakes no obligation to update publicly or revise any forward-looking statements.