



# SP CORPORATION LIMITED

(Company Registration No. 195200115k)

## FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 ("FY2015")

### 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		
		31.12.15	31.12.14	+ / (-)
		\$'000	\$'000	%
<b>Revenue</b>	<b>a</b>	119,675	131,913	(9)
Cost of sales		(114,024)	(124,573)	(8)
<b>Gross profit</b>	<b>a</b>	5,651	7,340	(23)
Other operating income	<b>b</b>	504	99	409
Distribution costs	<b>c</b>	(2,227)	(2,378)	(6)
Administrative expenses	<b>d</b>	(3,176)	(3,394)	(6)
Other operating expenses	<b>e</b>	(89)	(76)	17
Finance income	<b>f</b>	976	740	32
Finance costs	<b>g</b>	(25)	(28)	(11)
<b>Profit before tax</b>		1,614	2,303	(30)
Income tax expense	<b>h</b>	(148)	(172)	(14)
<b>Profit for the financial year</b>		1,466	2,131	(31)
<b>Profit attributable to Owners of the Company</b>		1,466	2,131	

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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		
		31.12.15	31.12.14	+ / (-)
		\$'000	\$'000	%
<b>Profit for the financial year</b>		1,466	2,131	(31)
<b>Other comprehensive income for the financial year:</b>				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	i	1,300	969	34
<b>Total comprehensive income for the financial year</b>		<u>2,766</u>	<u>3,100</u>	(11)
<b>Total comprehensive income attributable to Owners of the Company</b>		<u>2,766</u>	<u>3,100</u>	(11)

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

	Note	Group	
		31.12.15	31.12.14
		\$'000	\$'000
Write-back of doubtful trade receivables	b	1	7
Gain on disposal of plant and equipment	b	1	-
Foreign currency exchange gain	b	324	32
Allowance for inventory obsolescence	e	(89)	(76)
Depreciation of plant and equipment		(167)	(166)
(Under) Overprovision of income tax in respect of prior years	h	(50)	87

**Note:**

- FY2015 revenue was 9% lower reflecting a decline in commodities trading and tyre distribution activities. Overall gross profit reduced mainly due to lower gross profit from tyre sales and lower profit margins in coal and metal trading.
- The increase in other operating income was primarily attributable to higher foreign currency exchange gain and higher handling fee relating to coal trading.
- The decrease in distribution costs was mainly due to lower manpower costs and sales promotions amid lower sales activities.
- Administrative expenses decreased largely due to a reduction in manpower costs.
- Other operating expenses increased due to additional allowance for inventory obsolescence.
- The increase in finance income was attributable to higher interest income earned from overdue receivables.
- Finance costs arose from trade financing for commodities trading.
- Lower tax expense was mainly due to the loss incurred by one unit, partially offset by under provision of tax by other units in prior years.
- The translation gain in FY2015 was mainly attributable to the strengthening of US dollar upon consolidation of subsidiaries whose functional currency is the 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**

	Note	Group		Company	
		31.12.15 \$'000	31.12.14 \$'000	31.12.15 \$'000	31.12.14 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	j	530	305	223	78
Investments in subsidiaries		-	-	17,973	17,629
<i>Total non-current assets</i>		<u>530</u>	<u>305</u>	<u>18,196</u>	<u>17,707</u>
<b>Current assets</b>					
Inventories	k	914	1,219	-	-
Trade and other receivables	l	62,168	47,381	19,252	17,831
Tax recoverable	m	112	23	84	-
Cash and bank balances		12,999	19,823	1,753	2,991
<i>Total current assets</i>		<u>76,193</u>	<u>68,446</u>	<u>21,089</u>	<u>20,822</u>
<b>Total assets</b>		<u>76,723</u>	<u>68,751</u>	<u>39,285</u>	<u>38,529</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		58,366	58,366	58,366	58,366
Translation reserve (account)		810	(490)	-	-
Accumulated losses		(8,812)	(10,278)	(20,349)	(21,225)
<i>Total equity</i>		<u>50,364</u>	<u>47,598</u>	<u>38,017</u>	<u>37,141</u>
<b>Non-current liability</b>					
Deferred tax		24	26	4	5
<b>Current liabilities</b>					
Trade and other payables	n	26,192	20,830	1,174	1,343
Income tax payable		143	297	90	40
<i>Total current liabilities</i>		<u>26,335</u>	<u>21,127</u>	<u>1,264</u>	<u>1,383</u>
<b>Total equity and liabilities</b>		<u>76,723</u>	<u>68,751</u>	<u>39,285</u>	<u>38,529</u>

**Note:**

- j. Plant and equipment increased due to the purchase of a vehicle, partially offset by depreciation expense for the financial year.
- k. The decrease in inventories reflected lower tyre distribution activities.
- l. The increase in trade and other receivables was largely due to coal deliveries towards the end of December 2015 amounting to \$3.6 million, as well as advances of approximately \$4.9 million to a supplier of coal and approximately \$3.9 million to a supplier of machinery for orders placed.
- m. Tax recoverable arose mainly from the payment of income tax of which management is in discussion with the relevant tax authorities.
- n. The higher level of trade and other payables was mainly due to an increase in payables to rubber suppliers of \$3.2 million, partially offset by a drop in payables to tyre suppliers of \$1.3 million, reflecting their respective level of trading volumes, as well as progress billing of approximately \$4.2 million to a customer for order placement of machinery.

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

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

As at 31.12.15		As at 31.12.14	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'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	
		31.12.15	31.12.14
		\$'000	\$'000
<b>Operating Activities</b>			
Profit before tax		1,614	2,303
Adjustments for:			
Depreciation of plant and equipment		167	166
Gain on disposal of plant and equipment		(1)	-
Write-back of doubtful trade receivables		(1)	(7)
Allowance for inventory obsolescence		89	76
Interest expense		25	28
Interest income		(976)	(740)
<b>Operating cash flows before movements in working capital</b>		917	1,826
Inventories		216	452
Trade and other receivables		(11,780)	(1,705)
Restricted bank balances		(1,748)	13
Trade and other payables		3,078	(6,615)
<b>Cash used in operations</b>		(9,317)	(6,029)
Interest paid		(25)	(28)
Interest received		968	1,107
Income tax paid, net		(390)	(301)
<b>Net cash used in operating activities</b>	<b>o</b>	(8,764)	(5,251)
<b>Investing Activities</b>			
Proceeds on disposal of plant and equipment		1	-
Payments for acquisition of plant and equipment		(392)	(35)
<b>Net cash used in investing activities</b>		(391)	(35)
<b>Financing Activities</b>			
Proceeds from borrowings		19,690	14,997
Repayments of borrowings		(19,690)	(14,997)
<b>Net cash from financing activities</b>	<b>p</b>	-	-
Net decrease in cash and cash equivalents		(9,155)	(5,286)
Cash and cash equivalents at beginning of financial year		18,141	23,041
Effects of exchange rate changes on the balance of cash held in foreign currencies		583	386
<b>Cash and cash equivalents at end of financial year</b>	<b>q</b>	9,569	18,141

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**Note:**

- o. Net cash was used in operating activities mainly for \$8.8 million advances to suppliers on order placements, as well as due to the timing of receipts from debtors and payments to creditors.
- p. Borrowings were in the form of trust receipts for commodities trading, and all of which, were settled by the year end.
- q. Cash and cash equivalents at the year-end excluded a sum of \$3,430,000 (FY2014: \$1,682,000) 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 \$'000	Translation Reserve (Account) \$'000	Accumulated Losses \$'000	Total Equity \$'000
<b>The Group</b>				
<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>	<b>58,366</b>	<b>810</b>	<b>(8,812)</b>	<b>50,364</b>
<b>At 1 January 2014</b>				
<i>Total comprehensive income for the financial year</i>				
Profit for the financial year	-	-	2,131	2,131
Other comprehensive income for the financial year	-	969	-	969
<b>At 31 December 2014</b>	<b>58,366</b>	<b>(490)</b>	<b>(10,278)</b>	<b>47,598</b>
<b>The Company</b>				
<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>	<b>58,366</b>	<b>-</b>	<b>(20,349)</b>	<b>38,017</b>
<b>At 1 January 2014</b>	58,366	-	(22,103)	36,263
Profit for the financial year, representing total comprehensive income for the financial year	-	-	878	878
<b>At 31 December 2014</b>	<b>58,366</b>	<b>-</b>	<b>(21,225)</b>	<b>37,141</b>

**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.**

There have been no changes in the Company's share capital for the financial period from 1 October 2015 to 31 December 2015.

The Company does not have any outstanding convertibles and treasury shares.

**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>31.12.15</u>	<u>31.12.14</u>	<u>31.12.15</u>	<u>31.12.14</u>
Total number of issued ordinary shares (excluding treasury shares)	35.10 million*	350.99 million	35.10 million*	350.99 million

\* After the share consolidation on 14 May 2015.

**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 has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with those used for the financial year ended 31 December 2014.

**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 2015 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		
	31.12.15	31.12.14	
		As adjusted *	As previously announced
i) Earnings per ordinary share based on weighted average number of shares (in cents)	4.18	6.07	0.61
ii) Earnings per ordinary share based on fully diluted basis (in cents)	4.18	6.07	0.61
Weighted average number of ordinary shares (in millions)	35.10	35.10	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.

\* Note: Figures shown under the "As adjusted" columns are computed assuming that the share consolidation exercise was held and effective as from 1 January 2014.

**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		
	31.12.15	31.12.14		31.12.15	31.12.14	
		As adjusted *	As previously announced		As adjusted *	As previously announced
Net asset value per ordinary share	\$1.43	\$1.36	13.56¢	\$1.08	\$1.06	10.58¢
Total number of issued shares <sup>^</sup> at the end of the financial year (in millions)	35.10	35.10	350.99	35.10	35.10	350.99

<sup>^</sup> There were no treasury shares at the end of the respective financial year.

\* Note: Figures shown under the "As adjusted" columns are computed assuming that the share consolidation exercise was held and effective as at 31 December 2014.

- 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 lower revenue of \$119.7 million in FY2015 as compared to \$131.9 million in FY2014 due to a decline in commodities trading activities. Consequently, earnings were lower at \$1.5 million as compared to \$2.1 million in FY2014 exacerbated by the losses from the tyre distribution unit.

Commodities Trading Unit reported revenue of \$99.8 million in FY2015 as compared to \$104.1 million in FY2014 mainly due to lower revenue from coal and metal trading despite an increase in coal trading volume. Commodities prices including coal had tumbled in FY2015. The decrease in revenue was partially mitigated by higher revenue from rubber trading. Earnings for FY2015 remained comparable to that of FY2014 as there were higher foreign currency exchange gains and finance income.

Tyre Distribution Unit's revenue of \$19.9 million in FY2015 was 29% down from \$27.8 million in FY2014 due to weak demands and intense competition in both export and domestic markets. The Unit recorded a loss of \$0.7million in FY2015 as a result of declining sales and gross profits, partially mitigated by lower operating expenses.

- 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**

Commodities markets remain mired in a prolonged price slump amid supply glut and the effect is compounded by the heightened global economic uncertainty, sharp slowdown in China's economy and increased market volatility. The Group expects its tyre distribution and commodities trading businesses to continue to face challenges. The Group will continue to focus on disciplined management of costs and capital to maximise cash flow generation, while cautiously looking out for selective growth opportunities.

- 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 2015.



**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 2015</b>					
<b>Revenue</b>					
- External customers	99,820	19,855	-	-	119,675
- Inter-segment	-	-	3,040	(3,040)	-
Total segment revenue	<u>99,820</u>	<u>19,855</u>	<u>3,040</u>	<u>(3,040)</u>	<u>119,675</u>
<b>Result</b>					
Segment result	1,223	(924)	365	(1)	663
Finance income	953	20	215	(212)	976
Finance costs	(237)	-	-	212	(25)
Profit before tax	1,939	(904)	580	(1)	1,614
Income tax expense					<u>(148)</u>
Profit after tax					<u>1,466</u>
<b>Assets</b>					
Segment assets	67,388	6,650	2,573	-	76,611
Unallocated assets					112
Total assets					<u>76,723</u>
<b>Liabilities</b>					
Segment liabilities	20,486	4,706	1,000	-	26,192
Unallocated liabilities					167
Total liabilities					<u>26,359</u>
<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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	Commodities Trading \$'000	Tyre Distribution \$'000	Corporate and Others \$'000	Inter-segment Eliminations \$'000	Consolidated \$'000
<b>Financial year ended 31 December 2014</b>					
<b>Revenue</b>					
- External customers	104,106	27,807	-	-	131,913
- Inter-segment	-	-	3,040	(3,040)	-
Total segment revenue	104,106	27,807	3,040	(3,040)	131,913
<b>Result</b>					
Segment result	1,426	(143)	308	-	1,591
Finance income	686	27	183	(156)	740
Finance costs	(184)	-	-	156	(28)
Profit before tax	1,928	(116)	491	-	2,303
Income tax expense					(172)
Profit after tax					2,131
<b>Assets</b>					
Segment assets					
Unallocated assets					
Total assets	53,582	10,538	4,608	-	68,728
					23
					68,751
<b>Liabilities</b>					
Segment liabilities					
Unallocated liabilities					
Total liabilities	13,415	6,185	1,230	-	20,830
					323
					21,153
<b>Other information</b>					
Capital expenditure	-	24	11	-	35
Depreciation of plant and equipment	4	109	53	-	166
Gain on disposal of plant and equipment	-	-	-	-	-
Write-back of doubtful trade receivables	-	(3)	(4)	-	(7)
Allowance for inventory obsolescence	-	76	-	-	76

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**Full Year Results for the Year Ended 31 December 2015**

Geographical Segments - Based on location of customer	Revenue from external customers		Non-current assets		Capital expenditure	
	31.12.15 \$'000	31.12.14 \$'000	31.12.15 \$'000	31.12.14 \$'000	31.12.15 \$'000	31.12.14 \$'000
Singapore	68,854	61,688	454	304	315	35
China including Hong Kong	13,668	12,497	-	-	-	-
Indonesia	13,453	22,529	-	-	-	-
Malaysia	8,196	8,369	76	1	77	-
Germany	7,452	13,016	-	-	-	-
Other ASEAN countries	4,714	10,261	-	-	-	-
Brunei	2,097	1,895	-	-	-	-
Others	1,241	1,658	-	-	-	-
	<u>119,675</u>	<u>131,913</u>	<u>530</u>	<u>305</u>	<u>392</u>	<u>35</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		+ / (-) %
	31.12.15 \$'000	31.12.14 \$'000	
(a) Revenue reported for first half year	53,603	64,548	-17%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	176	1,020	-83%
(c) Revenue reported for second half year	66,072	67,365	-2%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	1,290	1,111	16%

## 16. Interested Person Transactions

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)	
	31.12.15 \$'000	31.12.14 \$'000	31.12.15 \$'000	31.12.14 \$'000
<b>Sales</b>				
William Nursalim alias William Liem & associates	-	-	3,565	9,749
Nuri Holdings (S) Pte Ltd & associates	-	-	1,014	-
<b>Purchases</b>				
William Nursalim alias William Liem & associates	-	-	25,930	30,185
<b>Placement of trade deposit</b>				
William Nursalim alias William Liem & associates	-	-	8,435	7,939
<b>Interest income from placement of trade deposit</b>				
William Nursalim alias William Liem & associates	-	-	387	351
<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	-	-	4,897	-
<b>Progress billing on order placement</b>				
Nuri Holdings (S) Pte Ltd & associates	-	-	4,164	-
<b>Total interested persons transactions</b>	<b>-</b>	<b>-</b>	<b>48,542</b>	<b>48,374</b>

## 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

In view of the latest guideline from the Exchange in relation to Rule 720(1) of the SGX-ST Listing Manual, the Company will procure signed undertakings from all its directors and executive officers based on the latest revised form of Appendix 7.7 of the SGX-ST Listing Manual on or before 30 April 2016, which will replace and supersede the undertakings previously signed by the directors and executive officers as announced on 28 October 2015.

**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)	74	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	49	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.	1 September 2015 – General Manager  1 January 2015 – Senior Manager, Operations

**BY ORDER OF THE BOARD**

Lee Pih Peng  
 Company Secretary  
 27 January 2016

**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.