



SP CORPORATION LIMITED

(Company Registration No. 195200115k)

FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 ("FY2019")

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		
		31.12.19	31.12.18	+ / (-)
		\$'000	\$'000	%
Revenue	a	93,076	136,379	(32)
Cost of sales		(90,674)	(133,164)	(32)
Gross profit	a	2,402	3,215	(25)
Other operating income	b	223	58	284
Distribution costs		-	(3)	n.m
Administrative expenses		(2,592)	(2,585)	0
Other operating expenses	c	(144)	(80)	80
Interest income	d	3,380	1,745	94
Interest expense	e	(300)	(40)	650
Profit before tax		2,969	2,310	29
Income tax expense		(466)	(412)	13
Profit for the financial year		2,503	1,898	32
Profit attributable to owners of the Company		2,503	1,898	32

n.m: Not meaningful

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Full Year Results for the Financial Year Ended 31 December 2019

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		
		31.12.19 \$'000	31.12.18 \$'000	+ / (-) %
Profit for the financial year		2,503	1,898	32
Other comprehensive (loss) income after tax:				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	f	(200)	739	(127)
Total comprehensive income for the financial year		<u>2,303</u>	<u>2,637</u>	(13)
Total comprehensive income for the financial year attributable to owners of the Company		<u>2,303</u>	<u>2,637</u>	(13)

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

	Group Full Year	
	31.12.19 \$'000	31.12.18 \$'000
Depreciation of plant and equipment	(38)	(41)
Loss on disposal of plant and equipment	(13)	-
Foreign currency exchange loss	(125)	(79)
Bad debts recovered	4	-
Over (Under) provision of income tax in respect of prior financial years	<u>6</u>	<u>(63)</u>

Notes:

- Revenue and gross profit decreased in FY2019 as compared to FY2018 mainly due to lower sales of rubber and coal. The lower trading volume for rubber resulted in lower revenue from such sales. Lower sales volume and lower average selling price of coal also contributed to the decline in revenue.
- Other operating income in FY2019 was higher mainly due to handling fees earned in relation to coal shipments.
- Other operating expenses were higher in FY2019 mainly due to net foreign exchange loss, as a result of the depreciation of US dollar against Singapore dollar, and loss on disposal of plant and equipment.
- The higher interest income was mostly contributed by the interest income from a loan made to a related party on 24 September 2018, which was extended to mature on 23 September 2020. The full year's interest income was recognised in FY2019 as compared to the recognition of 3 months' interest income in FY2018. In addition, there was an increase in interest income from higher trade receivables with related parties.
- The higher utilisation of trade financing facilities for commodities trading resulted in a higher interest expense in FY2019.
- The translation loss was due to the depreciation of US dollar against Singapore dollar upon consolidation of subsidiaries whose functional currency is US dollar.

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Full Year Results for the Financial Year Ended 31 December 2019

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	
		31.12.19	31.12.18	31.12.19	31.12.18
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Plant and equipment		121	208	118	140
Investments in subsidiaries		-	-	31,016	30,611
Trade receivables	g	9,346	-	-	-
<i>Total non-current assets</i>		<u>9,467</u>	<u>208</u>	<u>31,134</u>	<u>30,751</u>
Current assets					
Trade and other receivables	g	27,712	37,036	20,797	20,831
Loan to a related party	h	21,500	20,000	-	-
Tax recoverable		16	24	-	-
Cash and bank balances		5,483	10,460	111	903
<i>Total current assets</i>		<u>54,711</u>	<u>67,520</u>	<u>20,908</u>	<u>21,734</u>
Total assets		<u><u>64,178</u></u>	<u><u>67,728</u></u>	<u><u>52,042</u></u>	<u><u>52,485</u></u>
EQUITY AND LIABILITIES					
Equity					
Share capital		58,366	58,366	58,366	58,366
Translation reserve	f	(458)	(258)	-	-
Accumulated losses		(2,162)	(4,665)	(19,507)	(19,982)
<i>Total equity</i>		<u>55,746</u>	<u>53,443</u>	<u>38,859</u>	<u>38,384</u>
Non-current liability					
Deferred tax		54	49	-	1
Current liabilities					
Borrowings	i	5,125	-	-	-
Trade and other payables	j	2,829	13,952	13,168	14,079
Income tax payable		424	284	15	21
<i>Total current liabilities</i>		<u>8,378</u>	<u>14,236</u>	<u>13,183</u>	<u>14,100</u>
Total equity and liabilities		<u><u>64,178</u></u>	<u><u>67,728</u></u>	<u><u>52,042</u></u>	<u><u>52,485</u></u>

Notes:

- g. Included in the trade and other receivables of the Group was an amount of \$8.2 million due from a related party, which is secured by two parcels of industrial land and building of the related party in Indonesia. During the financial year, a repayment agreement was signed by the related party to make quarterly repayments totalling \$6.1 million over three years from the end of the financial year. Accordingly, an amount of \$3.9 million expected to be repaid after one year from the end of the financial year have been classified as non-current. The remaining \$2.1 million which is not covered under the repayment agreement is expected to be repaid within one year from the end of the financial year and has been classified as current.

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Full Year Results for the Financial Year Ended 31 December 2019

An amount of \$12.1 million due from another related party was included in trade and other receivables of the Group as at 31 December 2019. Subsequent to the end of the financial year, the related party signed a repayment agreement with respect to the past due amounts to make quarterly repayments totaling \$11.4 million over two years from the end of the financial year. Management has assessed that the signing of the agreement represents an adjusting event after the reporting period. Accordingly, an amount of \$5.4 million expected to be repaid after one year from the end of the financial year has been classified as non-current as at 31 December 2019. The remaining \$0.7 million which is not covered under the repayment agreement is expected to be repaid within one year from the end of the financial year and has been classified as current.

- h. The loan to a related party is repayable within one year and carries fixed interest rate of 7.5% per annum. On 24 September 2019, the original principal amount of \$20 million plus interest of \$1.5 million for the period from 24 September 2018 to 23 September 2019 totalling \$21.5 million was rolled over for one year on the same terms and conditions as set out in the original loan agreement. The loan and all accrued interest shall be repaid in full on the maturity date on 23 September 2020 in cash, or in such other repayment method as otherwise agreed between the parties.
- i. Borrowings were in the form of trust receipts for commodities trading.
- j. The decrease in trade and other payables of the Group was mainly due to the timing of lumpy payments to coal and rubber 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 31.12.19		As at 31.12.18	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
5,125	-	-	-

Details of any collateral

The Group's borrowings from banks as at 31 December 2019 were secured by fixed deposits of approximately \$0.5 million placed with them. In addition, the Group has approximately \$0.2 million fixed deposits pledged with a bank for trade facilities.

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Full Year Results for the Financial Year Ended 31 December 2019

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

		Group	
		Full Year	
		31.12.19	31.12.18
		\$'000	\$'000
Note			
Operating activities			
	Profit before tax	2,969	2,310
	<i>Adjustments for:</i>		
	Depreciation of plant and equipment	38	41
	Loss on disposal of plant and equipment	13	-
	Interest expense	300	40
	Interest income	(3,380)	(1,745)
	Operating cash flows before movements in working capital	(60)	646
	Trade and other receivables	243	8,651
	Restricted bank balances	578	554
	Trade and other payables	(10,888)	(2,707)
	Cash generated (used in) from operations	(10,127)	7,144
	Interest received	1,181	1,213
	Interest paid	(275)	(40)
	Income tax paid, net	(302)	(67)
	Net cash (used in) from operating activities	k (9,523)	8,250
Investing activities			
	Payments for acquisition of plant and equipment	-	(78)
	Proceeds on disposal on plant and equipment	19	
	Loan to a related party	h -	(20,000)
	Net cash from (used in) investing activities	19	(20,078)
Financing activities			
	Proceeds from borrowings	81,250	36,192
	Repayment of borrowings	(76,093)	(36,192)
	Net cash from financing activities	l 5,157	-
	Net decrease in cash and cash equivalents	(4,347)	(11,828)
	Cash and cash equivalents at the beginning of financial year	9,167	20,837
	Effects of exchange rate changes on the balance of cash held in foreign currencies	(52)	158
	Cash and cash equivalents at the end of financial year	4,768	9,167
		Group	
		31.12.19	31.12.18
		\$'000	\$'000
Cash and cash equivalents comprise:			
	Cash at bank and on hand	3,045	7,636
	Fixed deposits	1,723	1,531
	Cash and cash equivalents in statement of cash flows	4,768	9,167
	Pledged fixed deposits	715	1,293
	Cash and bank balances in statement of financial position	5,483	10,460

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Full Year Results for the Financial Year Ended 31 December 2019

Notes:

- k. Net cash used in operating activities during the financial year was mainly due to the timing of collections from customers and lumpy payments to suppliers, partially offset by higher fixed deposits placed with banks for utilisation of trade facilities for commodities trading.

Net cash from operating activities during the previous financial year was largely attributable to the timing of collections from customers and lumpy payments to suppliers.

- l. Net cash from financing activities during the financial year was through utilisation of trust receipt facilities financing for commodities trading.

In the previous financial year, borrowings in the form of trust receipts for commodities trading in 2H2018 were fully settled by 31 December 2018.

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Full Year Results for the Financial Year Ended 31 December 2019

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

	Equity attributable to owners of the Company			
	Share Capital \$'000	Translation Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
<u>The Group</u>				
At 1 January 2019	58,366	(258)	(4,665)	53,443
<i>Total comprehensive income for the financial year</i>				
Profit for the financial year	-	-	2,503	2,503
Other comprehensive loss for the financial year	-	(200)	-	(200)
At 31 December 2019	58,366	(458)	(2,162)	55,746
At 1 January 2018	58,366	(997)	(6,563)	50,806
<i>Total comprehensive income for the financial year</i>				
Profit for the financial year	-	-	1,898	1,898
Other comprehensive income for the financial year	-	739	-	739
At 31 December 2018	58,366	(258)	(4,665)	53,443
<u>The Company</u>				
At 1 January 2019	58,366	-	(19,982)	38,384
Profit for the financial year, representing total comprehensive income for the financial year	-	-	475	475
At 31 December 2019	58,366	-	(19,507)	38,859
At 1 January 2018	58,366	-	(20,486)	37,880
Profit for the financial year, representing total comprehensive income for the financial year	-	-	504	504
At 31 December 2018	58,366	-	(19,982)	38,384

- 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>31.12.19</u>	<u>31.12.18</u>	<u>31.12.19</u>	<u>31.12.18</u>
Total number of issued ordinary shares*	35.10 million	35.10 million	35.10 million	35.10 million

* 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 neither audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 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 compared with those used in the audited financial statements for the financial year ended 31 December 2018.

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 Singapore Financial Reporting Standards (International) ("SFRS(I)s") pronouncements that are effective for annual periods beginning on or after 1 January 2019 and are relevant to its operations. The adoption of these new SFRS(I)s, specifically SFRS(I) 16 *Leases*, resulted in changes to the Group's and the Company's accounting policies but 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

- i) Earnings per ordinary share based on weighted average number of shares (in cent)
- ii) Earnings per ordinary share based on fully diluted basis (in cent)

Weighted average number of ordinary shares (in million)

Group Full Year	
31.12.19	31.12.18
7.13	5.41
7.13	5.41
35.10	35.10

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

Net asset value per ordinary share (in dollar)

Total number of issued shares* at the end of the financial year (in million)

Group		Company	
31.12.19	31.12.18	31.12.19	31.12.18
1.59	1.52	1.11	1.09
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**

Revenue was \$93.1 million as compared to \$136.4 million, a decrease of \$43.3 million. The decrease was mainly due to the lower revenue for rubber and coal trading. Coal trading, which is the core business, contributed about 88% to the Group's revenue in FY2019, higher than 72% in FY2018. The decrease in coal revenue was mainly due to the drop in average selling price, with a marginal decline in trading volume. The decrease in rubber revenue was mainly due to the drop in sales volume.

Gross profit was \$2.4 million as compared to \$3.2 million, a decrease of \$0.8 million. Despite the revenue decline of 32%, the decrease in gross profit was lower at 25% as the margin for coal trading was a fixed rate based on the quantity delivered.

Commodities Trading Unit: Profit before tax was \$1.4 million in FY2019 compared to \$1.9 million in FY2018. The decrease of \$0.5 million was mainly due to lower gross profit and higher trust receipt interest expenses, partially offset by higher interest income from trade receivables with related parties and higher handling fees in relation to coal shipments.

Investment Unit: Profit before tax was \$1.5 million in FY2019 as compared to \$0.3 million in FY2018. It arose mainly from the interest income on the loan granted to a related party on 24 September 2018, which was extended to mature on 23 September 2020.

As a result, profit before tax was \$3.0 million in FY2019 as compared to \$2.3 million in FY2018. Profit after tax and profit attributable to the owners of the Company in FY2019 was \$2.5 million as compared to \$1.9 million in FY2018.

- 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**

Coal deliveries for the financial year have exceeded the quantity secured by the Group under its coal allocation agreement. The Group will continually seek opportunities to grow its commodities trading business.

The Group is exploring investment opportunities including the project in Sanya, Hainan, China to reposition, expand and diversify its business and operations to achieve a more consistent and sustainable growth.

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 2019.

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Full Year Results for the Financial Year Ended 31 December 2019

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	Investment \$'000	Corporate and Others \$'000	Inter-segment Eliminations \$'000	Consolidated \$'000
Financial year ended 31 December 2019					
Revenue					
- External customers	92,767	-	309	-	93,076
- Inter-segment	-	-	2,306	(2,306)	-
Total segment revenue	92,767	-	2,615	(2,306)	93,076
Result					
Segment result	(178)	(24)	91	-	(111)
Interest income	1,866	1,531	3	(20)	3,380
Interest expense	(300)	-	(20)	20	(300)
Profit before tax	1,388	1,507	74	-	2,969
Income tax expense					(466)
Profit after tax					2,503
31 December 2019					
Assets					
Segment assets	41,077	22,876	209	-	64,162
Unallocated assets					16
Total assets					64,178
Liabilities					
Segment liabilities	6,884	23	1,047	-	7,954
Unallocated liabilities					478
Total liabilities					8,432
Other information					
Depreciation of plant and equipment	6	-	32	-	38

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Full Year Results for the Financial Year Ended 31 December 2019

	Commodities Trading \$'000	Investment \$'000	Corporate and Others \$'000	Inter-segment Eliminations \$'000	Consolidated \$'000
Financial year ended 31 December 2018					
Revenue					
- External customers	136,379	-	-	-	136,379
- Inter-segment	-	-	2,300	(2,300)	-
Total segment revenue	136,379	-	2,300	(2,300)	136,379
Result					
Segment result	670	(61)	(4)	-	605
Interest income	1,345	407	73	(80)	1,745
Interest expense	(110)	-	(10)	80	(40)
Profit before tax	1,905	346	59	-	2,310
Income tax expense					(412)
Profit after tax					1,898
31 December 2018					
Assets					
Segment assets	43,829	21,395	2,480	-	67,704
Unallocated assets					24
Total assets					67,728
Liabilities					
Segment liabilities	12,792	49	1,111	-	13,952
Unallocated liabilities					333
Total liabilities					14,285
Other information					
Capital expenditure	5	-	73	-	78
Depreciation of plant and equipment	6	-	35	-	41

	Group					
	Revenue from external customers Full Year		Non-current assets		Capital expenditure	
	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geographical Segments						
- Based on location of customer						
Singapore	70,770	116,002	5,544	149	-	6
Indonesia	3,168	6,297	3,923	59	-	72
China including Hong Kong	19,138	14,070	-	-	-	-
Others	-	10	-	-	-	-
	93,076	136,379	9,467	208	-	78

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 Total Full Year		+ / (-)
	31.12.19	31.12.18	
	\$'000	\$'000	%
(a) Revenue reported for first half year	48,208	64,610	-25%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	959	583	64%
(c) Revenue reported for second half year	44,868	71,769	-37%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	<u>1,544</u>	<u>1,315</u>	17%

16. Interested Person Transactions

The aggregate value of interested person transactions entered into during the following financial periods is as follows:

Name of interested person	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 transactions less than \$100,000)	
	Full Year		Full Year	
	31.12.19	31.12.18	31.12.19	31.12.18
	\$'000	\$'000	\$'000	\$'000
Sales				
William Nursalim alias William Liem & associates	-	-	7,390	11,749
Purchases				
William Nursalim alias William Liem & associates	-	-	78,277	94,246
Placement of refundable trade deposit				
William Nursalim alias William Liem & associates	-	-	8,135	8,215
Interest income from placement of refundable trade deposit				
William Nursalim alias William Liem & associates	-	-	552	519
Management fee expense				
Tuan Sing Holdings Limited & associates	-	-	150	150
Loan				
Nuri Holdings (S) Pte Ltd & associates	-	-	21,500	20,000
Interest income from loan				
Nuri Holdings (S) Pte Ltd & associates	-	-	1,531	407
Total interested person transactions	-	-	117,535	135,286

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)	78	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	53	Brother of David Lee Kay Tuan (Non-Executive Director of the Company). Brother-in-law of Michelle Liem Mei Fung (Deemed Substantial Shareholder of the Company).	Senior Manager, Development, SP Resources International Pte. Ltd., a subsidiary of the Company, since 1 February 2019. Duties include human resource function of the Company.	Promoted from Business Development Manager of SP Resources International Pte. Ltd. to Senior Manager, Development on 1 February 2019.

20. Negative Assurance Confirmation Pursuant to Rule 705(5) of the SGX-ST Listing Manual

We, Peter Sung, and Boediman Gozali (alias Tony Wu), being two directors of SP Corporation Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the results for the financial year ended 31 December 2019 to be false or misleading in any material aspect.

Peter Sung
Chairman

Boediman Gozali (alias Tony Wu)
Managing Director and Chief Executive Officer

BY ORDER OF THE BOARD

Julie Koh Ngin Joo
Group Company Secretary
21 January 2020

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 are 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.