

SP CORPORATION LIMITED
Incorporated in the Republic of Singapore
Registration No. 195200115K
(the “**Company**”)

Minutes of the 68th Annual General Meeting of the Company held by electronic means on Friday, 16 April 2021 at 11.30 a.m.

PRESENT

Board of Directors (the “Board”)

Attended in person:

Mr Peter Sung	Non-Executive Chairman and Independent Director
Mr William Nursalim alias William Liem	Interim Executive Director
Mr Cheng Hong Kok	Non-Executive and Independent Director
Mr Tan Lye Huat	Non-Executive and Independent Director
Mr Leong Kok Ho	Non-Executive and Non-Independent Director

Shareholders

Attended via live webcast:

(As set out in the Attendance List)

In Attendance

Attended in person:

Ms Phey Mui Noi	Senior Finance Manager
Ms Tan Sock Kiang	Group Company Secretary

By Invitation

Attended via live webcast:

Mr Aw Xin-Pei	Audit Partner, Deloitte & Touche LLP
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1 INTRODUCTION

- 1.1 The 68th Annual General Meeting (“**AGM**” or “**Meeting**”) was chaired by the Chairman of the Board, Mr Peter Sung (“**Chairman**”).
- 1.2 The Chairman welcomed Shareholders to the AGM and expressed regret that Shareholders were not able to attend the AGM physically for a second year due to COVID-19 restrictions. The Chairman then thanked Shareholders for their virtual attendance.
- 1.3 The Meeting was conducted by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and Shareholders who accessed the Meeting electronically would be treated as present and be recorded in the Attendance List.

- 1.4 The Chairman introduced the Directors of the Company all of whom were present in person, namely Mr William Nursalim alias William Liem, Mr Cheng Hong Kok, Mr Tan Lye Huat and Mr Leong Kok Ho. The Chairman also introduced Mr Aw Xin-Pei, the Audit Partner from Deloitte & Touche LLP who joined the Meeting remotely, as well as the Company's Senior Finance Manager, Ms Phey Mui Noi and the Group Company Secretary, Ms Tan Sock Kiang, both of whom were physically present.

- 1.5 The Chairman then invited the Group Company Secretary to go through the meeting procedure.

2 QUORUM

- 2.1 The Group Company Secretary informed the Meeting that the Company's Share Registrar had confirmed that there was a sufficient number of verified Shareholders who were attending the Meeting electronically or physically to form the required quorum for the Meeting.

3 NOTICE OF ANNUAL GENERAL MEETING

- 3.1 The Group Company Secretary informed the Meeting that:

- (a) Notice of the AGM was sent to all Shareholders and advertised in the Business Times on 31 March 2021. The Notice of AGM was taken as read at the Meeting.
- (b) The Company's Annual Report 2020 had been made available for download on the Company's website and on the SGXNet.
- (c) On 31 March 2021, the Company had released an SGXNet announcement which set out the alternative arrangements on the conduct of this virtual AGM ("**SGXNet Announcement**").

4 VOTING

- 4.1 In relation to the voting process, the Group Company Secretary informed the Meeting that:

- (a) As stated in the SGXNet Announcement, there would be no live voting and all Shareholders had to appoint the Chairman of the Meeting as proxy to cast votes on their behalf.
- (b) Accordingly, the Chairman of the Meeting would in accordance with the relevant Shareholders' specified instructions in respect of each resolution, vote or abstain from voting on behalf of such Shareholders.
- (c) Proxy Forms submitted at least 72 hours before the Meeting had been checked and the number of votes that the Chairman of the Meeting had been directed to cast "For" and "Against" each motion, and the number of shares of which he had been directed to abstain from voting on each motion, had been verified by the Scrutineer for the Meeting.
- (d) FINOVA BPO Pte. Ltd. had been appointed as the Company's Scrutineer and B.A.C.S. Private Limited had been appointed as the Polling Agent.
- (e) Voting would be conducted by poll and the results of the poll for each resolution would be announced during the course of the Meeting.
- (f) All resolutions tabled for approval at this AGM were ordinary resolutions to be passed by the affirmative votes of more than 50% of the total number of votes cast for each resolution.

5 PRESENTATION ON THE GROUP'S PERFORMANCE

- 5.1 The Chairman next invited the Senior Finance Manager, Ms Phey Mui Noi to give a presentation on the Group's financial performance for the financial year ended 31 December 2020. This was followed by a presentation on the Group's business focus by the Interim Executive Director, Mr William Nursalim alias William Liem. A copy of the presentation slides is annexed hereto and marked as Appendix A for identification purpose.

5.2 In relation to the Group's business focus, Mr Liem mentioned that Management would continue to evaluate business opportunities for the Company and noted that the commodity trading business which had been generating recurring income for the Company was negatively impacted due to supply chain disruptions in 2020. This was expected to improve in 2021 with the rollout of the vaccines in many countries.

5.3 The Chairman thanked Mr Liem for his presentation and proceeded with the items on the agenda of the Meeting.

6 ORDINARY BUSINESS

6.1 Resolution 1: Adoption of Directors' Statement, Audited Financial Statements and Independent Auditor's Report

6.1.1 The Chairman read the proposed resolution to receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2020 and the Independent Auditor's Report thereon.

6.1.2 The motion was put to vote by poll and the results of the votes cast (counted and verified by the Scrutineer in advance) for Resolution 1 were as follows:

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

6.1.3 Based on the poll results, the Chairman declared Ordinary Resolution 1 carried.

6.2 Resolution 2: Approval of Directors' fees

6.2.1 The Chairman read the proposed resolution to approve the payment of S\$179,862 as Directors' fees for the financial year ended 31 December 2020.

6.2.2 The motion was put to vote by poll and the results of the votes cast (counted and verified by the Scrutineer in advance) for Resolution 2 were as follows:

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

6.2.3 Based on the poll results, the Chairman declared Ordinary Resolution 2 carried.

6.3 Resolutions 3 to 10

6.3.1 Resolutions 3 to 10 were tabled as follows:

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

6.3.2 The Chairman explained to the Meeting that Resolutions 3 to 10 were related to the re-election of Directors and the continued appointment of Independent Directors who had served the Board beyond nine years. These resolutions were voted individually.

6.3.3 In relation to the continued appointments of Independent Directors, the resolutions were voted separately under the 2-Tier Voting system prescribed by the SGX-ST Listing Rules. For the 1st Tier, all Shareholders could vote and for the 2nd Tier, the Company's Directors and Chief Executive Officer ("CEO"), and their respective associates had no vote. The resolutions for the 2-Tier Votes when approved, would remain in force until the conclusion of the third AGM following the passing of the respective resolutions.

6.3.4 The votes cast by eligible Shareholders for Resolutions 3 to 10 had all been counted and verified by the Scrutineer in advance. The poll results were as follows:

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

6.3.5 Based on the poll results, the Chairman declared Ordinary Resolutions 3 to 10 carried.

6.4 Resolution 11: Re-appointment of Deloitte & Touche LLP as Auditors and authorisation for Directors to fix their remuneration

6.4.1 The Chairman read the proposed resolution to re-appoint the Auditors, Deloitte and Touche LLP ("Deloitte") and to authorise the Directors to fix their remuneration. The Chairman informed the Meeting that Deloitte had expressed their willingness to accept re-appointment.

6.4.2 The motion was put to vote by poll and the results of the votes cast (counted and verified by the Scrutineer in advance) for Resolution 11 were as follows:

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

6.4.3 Based on the poll results, the Chairman declared Ordinary Resolution 11 carried.

6.4.4 The Chairman next proceeded with the Special Business of the Meeting and informed that all resolutions tabled for the Special Business were ordinary resolutions.

7 SPECIAL BUSINESS

7.1 Resolution 12: Authority to allot and issue shares (General Share Issue Mandate)

7.1.1 The Chairman explained that the proposed Resolution 12 was to authorise the Directors to issue and allot shares up to 10% of the Company's issued share capital pursuant to Section 161 of the Singapore Companies Act. The 10% limit was lower than the prescribed limit allowed under the SGX-ST Listing Rules. The Chairman added that this resolution would allow the Company to raise additional funds in the event of a major corporate exercise.

7.1.2 The motion was put to vote by poll and the results of the votes cast (counted and verified by the Scrutineer in advance) for Resolution 12 were as follows:

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

7.1.3 Based on the poll results, the Chairman declared Ordinary Resolution 12 carried.

7.2 Resolution 13: Renewal of the Shareholders' Mandate for Interested Person Transactions

7.2.1 The Chairman read the proposed Resolution 13 to approve the renewal of the Shareholders' Mandate for Interested Person Transactions. Details of the Mandate were set out in the Letter to Shareholders dated 31 March 2021 printed in the Company's Annual Report 2020.

7.2.2 The Chairman informed the Meeting that the Company's Controlling Shareholder, Tuan Sing Holdings Limited, being an interested person, had abstained from voting on this resolution.

- 7.2.3 The motion was put to vote by poll and the results of the votes cast (counted and verified by the Scrutineer in advance) for Resolution 13 were as follows:

“For” Votes		“Against” Votes		Total Votes	
No. of Shares	Percentage %	No. of Shares	Percentage %	No. of Shares	Percentage %
745,100	100	0	0	745,100	100

- 7.2.4 Based on the poll results, the Chairman declared Ordinary Resolution 13 carried.

8 QUESTIONS AND ANSWERS (“Q&A”)

- 8.1 Finally, the Chairman informed the Meeting that there was no live question and answer session at the Meeting. Shareholders were required to submit their questions at least 72 hours in advance of the AGM.
- 8.2 The Chairman thanked the two Shareholders who had submitted their questions and commented that they had raised issues which many other Shareholders would like to know.
- 8.3 The Chairman then invited Mr Leong Kok Ho (“**Mr Leong**”) and Mr William Nursalim alias William Liem (“**Mr Liem**”) to address the questions which were set out as follows:

(a) **Question 1: Dividends**

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

Response to Question 1 by Mr Leong:

The Company and the Group had accumulated losses as at 31 December 2020. Thus, the Company was not in an adequate position to declare dividends. However, the Company would not rule out other options of shareholders’ return at an appropriate time. The cash holdings would be used to fund the Group’s operations and any new investments when opportunities arise.

(b) **Question 2: Share price vs NTA**

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

Response to Question 2 by Mr Leong:

The movement of share price was a result of market forces and macro-economic environment. The share price was also a function of the intrinsic value and its earnings potential. When the Company’s performance improves, the share price would move in tandem. We would not intervene in the share price of the Company but would continue to engage with the investment community by releasing material announcements.

Mr Liem added that we would endeavour to enhance shareholder value in the long run and it was hoped that profitability would be reflected in the share price going forward.

(c) **Question 3: Sanya Project**

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

Response to Question 3 by Mr Liem:

The pandemic had posed threat but also offered opportunities. The cash repayment strengthened the Group's financial position and would enable it to capitalise on potential new investment opportunities. The Group was no longer involved in the Sanya project.

(d) **Question 4: Long Term Strategy**

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

Response to Question 4 by Mr Liem:

The Company would continue to focus on growing its commodities trading business by leveraging on established business relationships. This would help to sustain the Company's revenue stream. In the longer term, we would be involved in evaluating a number of business opportunities and would share with Shareholders when there were material developments.

- 8.4 In addition to the above, the Chairman said that, unlike last year, nobody raised the question of the appointment of a CEO to replace the Interim Executive Director. He then apprised the Meeting on the Board's approach towards the appointment of a new CEO and would keep Shareholders informed when there were material developments.

9 CLOSURE

- 9.1 There being no other business, the Chairman declared the Meeting closed.
- 9.2 The Chairman thanked everyone for participating in the AGM and wished that all would stay safe and healthy.
- 9.3 The AGM ended at 11.55 a.m.

CONFIRMED BY

Peter Sung
Chairman