



SP CORPORATION LIMITED

(Company Registration No. 195200115K)

Clarification on Corporate Governance Report in 2019 Annual Report

SP Corporation Limited (the “**Company**”) has received a query from the Singapore Exchange (“**SGX**”) pertaining to the following:

“Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “**Code**”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.2 of the Code with regards to the disclosure of names and remuneration of employees who are substantial shareholders of the company and whose remuneration exceeded S\$100,000 during the year, and there were no explanations provided for in your FY2019 annual report on how it is consistent with the intent of Principle 8 of the Code.

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.”

At the request of the SGX, the Company provides clarification to the above query:

The Company had already disclosed the name and remuneration of the only employee who falls under Provision 8.2 on page 33 of the 2019 Annual Report stating clearly his relationship with the relevant director. The disclosure is reproduced below:

“Provision 8.2

Employee related to substantial shareholders, directors or CEO

Mr Lee Kay Chen, whose remuneration is disclosed in Table B above (Remuneration Bands \$100,000 to \$200,000), is the brother of Mr David Lee Kay Tuan, a Non-Executive Director of the Company. Except as disclosed herein, there was no other employee related to substantial shareholders, directors or CEO whose salary exceeded \$100,000 in FY2019.”

Further to the above disclosure, the Company hereby clarifies that there was no employee who was a substantial shareholder of the Company whose remuneration exceeded S\$100,000 in FY2019 to be disclosed.

BY ORDER OF THE BOARD

Tan Sock Kiang
Group Company Secretary
5 May 2020