



SP CORPORATION LIMITED

(Company Registration No. 195200115K)

THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, FRACTIONAL SHARES TO BE DISREGARDED

1. INTRODUCTION

The Board of Directors (the “**Board**”) of SP Corporation Limited (the “**Company**”) wishes to announce that the Company proposes to seek the approval of the shareholders of the Company (the “**Shareholders**”) to undertake a share consolidation of every ten (10) existing issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”) held by the Shareholders as at a books closure date to be determined by the Directors of the Company (the “**Books Closure Date**”), into one (1) ordinary share in the capital of the Company (the “**Consolidated Share**”), fractional Shares to be disregarded (the “**Proposed Share Consolidation**”).

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

Under the Proposed Share Consolidation, every ten (10) existing Shares registered in the name of each Shareholder as at the Books Closure Date will be consolidated to constitute one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with each other and will be traded in board lots of 100 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional Shares arising from the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

As at the date hereof, the Company has an issued share capital of 350,991,516 Shares. Following the Proposed Share Consolidation, the Company will have an issued share capital of approximately 35,099,151 Consolidated Shares.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders’ funds (if any) of the Company and its subsidiaries. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. For illustrative purposes only, the market price of the Shares as at the close of the preceding market day on 13 February 2015 on which the Shares were traded on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) was S\$0.096 and upon completion of the Proposed Share Consolidation, the theoretical share price of each Consolidated Share will be S\$0.960.



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3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

On 1 August 2014, the Monetary Authority of Singapore and the Singapore Exchange Limited jointly announced that from March 2015, all issuers listed on the Mainboard of the SGX-ST would be given a one-year transition period to comply with a listing requirement that their 6-month volume weighted average price be maintained at a minimum trading price of S\$0.20 (the “**MTP Requirement**”). The MTP Requirement was introduced to improve the overall quality and attractiveness of the securities market in Singapore, as well as to curb excessive speculation and market manipulation.

For the past six (6) calendar months prior to the date of this Announcement, the 6-month volume weighted average price of the Shares was S\$0.099, which is below the MTP Requirement of S\$0.20.

The highest and lowest closing market prices and the transacted volume of the Shares traded on the Mainboard of the SGX-ST for each month for the past six (6) calendar months from 1 August 2014 to 31 January 2015 are as follows:

	Highest Price (S\$)	Lowest Price (S\$)	Volume Weighted Average Price (S\$)
August 2014	0.104	0.083	244
September 2014	0.105	0.097	321
October 2014	0.107	0.096	344
November 2014	0.105	0.095	222
December 2014	0.101	0.099	98
January 2015	0.100	0.093	154.3

In light of the above, the Company proposes to undertake the Proposed Share Consolidation to comply with the MTP Requirement.

4. APPROVALS AND CONDITIONS

The Proposed Share Consolidation is subject to:

- (a) the approval of the Shareholders by ordinary resolution at an extraordinary general meeting (“**EGM**”) of the Proposed Share Consolidation; and
- (b) the approval of the SGX-ST for the dealing in, listing of and quotation for approximately 35,099,151 Consolidated Shares on the Mainboard of the SGX-ST.

An application will be made by the Company to obtain the SGX-ST’s approval for the dealing in, listing of and quotation for the Consolidated Shares. An appropriate announcement on the outcome of the application will be made in due course.



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5. EXTRAORDINARY GENERAL MEETING

Further details on the Proposed Share Consolidation will be set out in the circular to Shareholders, together with the notice of EGM, to seek Shareholders' approval for the Proposed Share Consolidation.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial Shareholders has any interest, direct or indirect, in the Proposed Share Consolidation (other than through their respective shareholdings in the Company).

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

BY ORDER OF THE BOARD

Mary Goh Swon Ping
Company Secretary
16 February 2015

SP Corporation Limited is a subsidiary of Tuan Sing Holdings Limited. The Company is a diversified marketing, engineering and industrial services group with units involved in Commodities Trading and Tyre Distribution.