

SP Corporation Limited
(Company Registration No.: 195200115K)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

ANNOUNCEMENT

PROPOSED ACQUISITION BY TUAN SING HOLDINGS LIMITED OF ALL THE SHARES IN THE ISSUED SHARE CAPITAL OF SP CORPORATION LIMITED (OTHER THAN THE SHARES HELD BY TUAN SING HOLDINGS LIMITED) BY WAY OF A SCHEME OF ARRANGEMENT

- **BASES AND ASSUMPTIONS OF THE PROFIT GUIDANCE ANNOUNCEMENT**
 - **ELECTRONIC DISSEMINATION OF (A) THE AUDITORS REPORT; (B) THE IFA CONFIRMATION LETTER; AND (C) THE ID CONFIRMATION LETTER, IN RELATION TO THE PROFIT GUIDANCE FOR THE FULL YEAR ENDING 31 DECEMBER 2022**
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1. INTRODUCTION

The Board of Directors (the “**Board**”) of the Company wishes to refer shareholders of the Company (the “**Shareholders**”) to:

- (a) the joint announcement dated 20 August 2022 issued by the Company and Tuan Sing Holdings Limited (the “**Offeror**”), in relation to the proposed acquisition (the “**Acquisition**”) by the Offeror of all the shares in the issued share capital of the Company (the “**SP Shares**”), held by Shareholders other than the Offeror (the “**Scheme Shareholders**”). The Acquisition will be effected by the Company by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers;
- (b) the announcement dated 19 October 2022 made by the Company, in relation to the receipt of approval-in-principle from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the delisting of the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms, subject to:
 - (i) compliance with the SGX-ST’s listing requirements;
 - (ii) approval of the Scheme by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting (as defined below), such majority holding not less than three-fourths in value of the SP Shares held by the Scheme Shareholders voted at the Court Meeting;
 - (iii) the independent financial adviser (the “**IFA**”) opining that the Scheme is fair and reasonable; and
 - (iv) the sanction of the Scheme by the General Division of the High Court of Singapore (the “**Court**”);

- (c) the announcement dated 27 October 2022 made by the Company, in relation to the Court order granting leave to the Company to convene the meeting of the Scheme Shareholders to approve the Scheme (the “**Court Meeting**”);
- (d) the scheme document (the “**Scheme Document**”) dated 3 November 2022 electronically disseminated by the Company to Scheme Shareholders containing, *inter alia*, the following:
 - (i) details of the Scheme, including the opinion of the IFA on the Scheme and the recommendation of the directors of the Company (the “**Directors**”) who are considered independent for the purposes of the Scheme (the “**Independent Directors**”);
 - (ii) the notice of the Court Meeting (the “**Notice of Meeting**”), to be convened and held by way of electronic means on **25 November 2022 at 10.00 a.m. (Singapore time)**, for the purpose of considering and, if thought fit, approving (with or without modification), the resolution relating to the Scheme referred to in the Notice of Meeting; and
 - (iii) the proxy form for the Court Meeting (the “**Proxy Form**”);
- (e) the announcement dated 4 November 2022 made by the Company, and titled “Profit Guidance for the full year ending 31 December 2022” (the “**Profit Guidance Announcement**”); and
- (f) the relevant laws and regulations prescribing alternative arrangements for listed entities in Singapore to conduct general meetings by electronic means.¹

Unless otherwise defined, capitalised terms in this announcement shall bear the same meaning as set out in the Scheme Document.

2. BASES AND ASSUMPTIONS OF THE PROFIT GUIDANCE ANNOUNCEMENT

- 2.1. The following statement of prospects (the “**Statement of Prospects**”) set out in italics below has been extracted from the Profit Guidance Announcement:

“The Group is expected to report a loss for the full year ending 31 December 2022.”

- 2.2. Shareholders should note that the Statement of Prospects referred to above, for which the Directors are solely responsible, was arrived at on bases consistent with the accounting policies normally adopted by the Company and its subsidiaries (the “**Group**”).

¹ Reference is made to: (i) the COVID-19 (Temporary Measures) Act 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed entities in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means; (ii) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (“**COVID-19 Order**”) which sets out the alternative arrangements in respect of, *inter alia*, general meetings of companies; and (iii) the Joint Statement by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation of 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020, 1 October 2020, 9 April 2021 and 4 February 2022) which provides additional guidance on the conduct of general meetings amid the continuing COVID-19 situation, until the COVID-19 Order is revoked or amended by the Ministry of Law.

- 2.3. The Statement of Prospects was made based on the following assumptions and/or information available as at 4 November 2022, being the date on which the Profit Guidance Announcement was made:
- (a) the Group did not record any revenue in the trial balance of the Group for the nine (9)-month period from 1 January 2022 to 30 September 2022; and
 - (b) the financial results forecasted by management of the Group as at 4 November 2022 for the financial year ending 31 December 2022 is expected to be reported as a loss.

3. ELECTRONIC DISSEMINATION OF THE FURTHER DOCUMENTS

- 3.1. The Board would like to inform the Scheme Shareholders that the Company has today disseminated to the Scheme Shareholders the following documents by electronic means:
- (a) the report of Deloitte & Touche LLP, the external auditors of the Company (the “**Auditors**”) dated 11 November 2022 in relation to the Profit Guidance Announcement (the “**Auditors Report**”), set out in **Appendix A** to this announcement;
 - (b) the confirmation letter of the IFA dated 11 November 2022 in relation to the Profit Guidance Announcement (the “**IFA Confirmation Letter**”), set out in **Appendix B** to this announcement; and
 - (c) the confirmation letter of the Independent Directors dated 11 November 2022 in relation to the Profit Guidance Announcement (the “**ID Confirmation Letter**”, and together with the Auditors Report and the IFA Confirmation Letter, the “**Further Documents**”), set out in **Appendix C** to this announcement.
- 3.2. **Pursuant to the Securities Industry Council’s Public Statement on The Further Extension of The Temporary Measure to Allow for Electronic Despatch of Take-Over Documents under the Singapore Code on Take-overs and Mergers on 29 June 2021, the Company has opted for electronic dissemination of the Further Documents through publication on the SGXNET announcement page of the Company and the Company’s corporate website. Accordingly, please note that no printed copies of the Further Documents will be despatched to the Scheme Shareholders unless requested for.**
- 3.4. Electronic copies of the Further Documents are available on the SGXNET announcement page of the Company and the Company’s corporate website at the following URLs respectively:
<https://www.sgx.com/securities/company-announcements>
<https://www.spcorp.com.sg/corporate.asp?page=5&menuid=7&language=1&subid=32>.
- 3.5. A Scheme Shareholder will need an internet browser and PDF reader to view the Further Documents on the SGXNET announcement page of the Company and the Company’s corporate website.
- 3.6. Scheme Shareholders (including Overseas SP Shareholders) may also obtain printed copies of the Further Documents and related documents by submitting a request to the share registrar of the Company (the “**Share Registrar**”), B.A.C.S. Private Limited, by post to 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 or via email to main@zicoholdings.com by no later than 5.00 p.m. on 18 November 2022. Printed copies of the Further Documents will be sent to the address in Singapore specified by the Scheme Shareholder at his/her/its own risk. A copy of the request form is available at the Company’s corporate website at the URL <https://www.spcorp.com.sg/corporate.asp?page=5&menuid=7&language=1&subid=32>.

It is the responsibility of any Overseas SP Shareholder who wishes to request for the Further Documents and any related documents to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with all necessary formalities or legal requirements. In requesting for the Further Documents and any related documents, the Overseas SP Shareholder represents and warrants to the Offeror and the Company that he/she/it is in full observance of the laws of the relevant jurisdiction in that connection, and that he/she/it is in full compliance with the necessary formalities or legal requirements.

If any Overseas SP Shareholder is in any doubt about his/her/its position, he/she/it should consult his/her/its professional adviser in the relevant jurisdiction.

4. DESPATCH OF NOTICE TO SCHEME SHAREHOLDERS

- 4.1. In addition to the above, printed copies of a notice to Scheme Shareholders (the “**11 November Notice**”), containing the address and instructions for the electronic retrieval of the Further Documents, have been despatched to Scheme Shareholders on 11 November 2022.
- 4.2. An electronic copy of the 11 November Notice is also available on the SGXNET announcement page of the Company and the Company’s corporate website at the following URLs respectively:
<https://www.sgx.com/securities/company-announcements>
<https://www.spcorp.com.sg/corporate.asp?page=5&menuid=7&language=1&subid=32>.

5. CONSENTS

- 5.1. **Auditors.** The Auditors have given and have not withdrawn their written consent to the issue of the Auditors Report, the inclusion therein of their name and all references to their name and the Auditors Report in the form and context in which it appears in the Further Documents.
- 5.2. **IFA.** The IFA has given and has not withdrawn its written consent to the issue of the IFA Confirmation Letter, the inclusion therein of its name and all references to its name and the IFA Confirmation Letter in the form and context in which it appears in the Further Documents.
- 5.3. **Documents available for inspection.** Copies of the letters of consent referred to in paragraphs 5.1 and 5.2 of this announcement are available for inspection at the registered office of the Company at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697 from the date of this announcement up to the date on which the Scheme becomes effective in accordance with its terms.

6. ACTIONS TO BE TAKEN BY SCHEME SHAREHOLDERS

6.1. The actions that the Scheme Shareholders should take have already been set out in the Scheme Document.

6.2. As a reminder, the table below sets out the key dates/deadlines for the Scheme Shareholders to note:

Key Dates / Deadlines	Actions
4 November 2022 (Friday)	Scheme Shareholders, CPFIS Investors and SRS Investors may begin to pre-register at the URL https://conveneagm.sg/SPCorporation for the live audio-visual webcast or live audio-only stream of the Court Meeting proceedings.
5.00 p.m. on 16 November 2022 (Wednesday)	Deadline for CPFIS Investors and SRS Investors, who wish to appoint a proxy(ies), to approach their respective CPF and SRS agent banks to submit their voting instructions.
5.00 p.m. on 18 November 2022 (Friday)	Deadline for Scheme Shareholders, who wish to obtain printed copies of the Scheme Document, Further Documents and related documents, to submit a request to the Share Registrar, B.A.C.S. Private Limited.
10.00 a.m. on 22 November 2022 (Tuesday)	Deadline for Scheme Shareholders to pre-register at the URL https://conveneagm.sg/SPCorporation for the live audio-visual webcast or live audio-only stream of the Court Meeting proceedings.
10.00 a.m. on 22 November 2022 (Tuesday)	Latest date and time for lodgement of the Proxy Form for the Court Meeting Deadline for Scheme Shareholders to submit the Proxy Form via email to main@zicoholdings.com or via post to the Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.
By 5.00 p.m. on 23 November 2022 (Wednesday)	Authenticated Scheme Shareholders will receive an email, which will contain instructions on how to access the live audio-visual webcast and the live audio-only stream of the Court Meeting proceedings. Scheme Shareholders who do not receive an email by 5.00 p.m. on 23 November 2022 but have registered by the deadline on 22 November 2022 should contact the Share Registrar, B.A.C.S. Private Limited, at +65 6593 4848 (during office hours) or email main@zicoholdings.com.

Key Dates / Deadlines	Actions
10.00 a.m. on 25 November 2022 (Friday)*	Date and time of the Court Meeting Scheme Shareholders and proxies who have pre-registered will be able to participate in the Court Meeting by: (a) observing and/or listening to the Court Meeting proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions “live” during the Court Meeting via the “Ask a question feature”; and/or (c) voting in real time via electronic means at the Court Meeting.

Note: Any reference to a time of day above is made by reference to Singapore time.

**In the announcement dated 3 November 2022 made by the Company titled “Electronic dissemination of Scheme Document; alternative arrangements relating to Court Meeting to be held on 25 November 2022”, the day of the Court Meeting was erroneously stated to be “Thursday” instead of “Friday”. The Company has since clarified that this was an inadvertent typographical error in its announcement dated 4 November 2022 titled “Corrigendum to the announcement dated 3 November 2022”.*

An indicative timetable for the events which are scheduled to take place after the Court Meeting is set out in the Scheme Document. Please note that such indicative timetable is subject to changes and the Scheme Shareholders are to check the Company’s corporate website at <https://www.spcorp.com.sg/corporate.asp?page=5&menuid=7&language=1&subid=32> for the latest updates on the indicative timetable.

- 6.3. **Further Information.** For more information, Scheme Shareholders can refer to the SGXNET announcement page of the Company and the Company’s corporate website at the following URLs respectively:

<https://www.sgx.com/securities/company-announcements>

<https://www.spcorp.com.sg/corporate.asp?page=5&menuid=7&language=1&subid=32>.

- 6.4. **Important Reminder.** Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change the arrangements for the Court Meeting at short notice. Scheme Shareholders are advised to regularly check the SGXNET announcement page of the Company or the Company’s corporate website for the latest updates on the status of the Court Meeting.

7. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement which relate to the Company (excluding information relating to the Offeror or any opinion expressed by the Offeror) are fair and accurate and that, where appropriate, no material facts which relate to the Company have been omitted from this announcement, the omission of which would make any statement in this announcement misleading, and the Directors jointly and severally accept responsibility accordingly.

Where any information which relates to the Company has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement. The Directors do not accept any responsibility for any information relating to the Offeror or any opinion expressed by the Offeror.

BY ORDER OF THE BOARD

Ho Wui Mee Marian
Company Secretary
11 November 2022

APPENDIX A – AUDITORS REPORT

SP Corporation Limited
9 Oxley Rise
#03-02, The Oxley
Singapore 238697

Attention: Board of Directors

AGREED-UPON PROCEDURES REPORT ON SP CORPORATION LIMITED'S PROFIT GUIDANCE ANNOUNCED ON NOVEMBER 4, 2022

1. Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting SP Corporation Limited (the Engaging Party and hereafter referred to as the "Company") and the Board of Directors ("Board") in evaluating whether the forecasted consolidated net loss of the Company and its subsidiaries (the "Group") for the year ending on December 31, 2022 (the "Profit Forecast") is prepared on the basis substantially consistent with the accounting policies of the Company and may not be suitable for another purpose.

This report is intended solely for the Company and the Board and should not be used by, or distributed to, any other parties.

2. Responsibilities of the Company and Board

The Company and Board has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company and Board is responsible for the subject matter on which the agreed-upon procedures are performed.

3. Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Singapore Standard on Related Services (SSRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company and Board, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") and with the independence requirements.

Our firm applies Singapore Standard on Quality Control (SSQC) 1, Quality Control for Firms that Performs Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance and ethical requirements, professional standards and applicable legal and regulatory requirements.

4. Procedures and Findings

We have performed the procedures described below, which were agreed with the Company and Board, in the terms of engagement dated November 9, 2022.

The procedures and findings are summarised as follows:

	Procedures	Findings
1	Performed enquiries of certain officials of the Group who have responsibility for financial and accounting matters that: i) the unaudited financial results of the Group for the nine (9)-month period from January 1, 2022 to September 30, 2022 are prepared on a basis substantially consistent with the accounting policies adopted in the audited consolidated financial statements of the Group for the year ended December 31, 2021, which are in accordance with the Singapore Financial Reporting Standards (International); and ii) the Group did not record any revenue in the trial balance of the Group for the nine (9)-month period from January 1, 2022 to September 30, 2022.	We made enquiries with the Senior Finance Manager of the Group who represented to us that: i) the unaudited financial results of the Group for the nine (9)-month period from January 1, 2022 to September 30, 2022 are prepared on a basis substantially consistent with the accounting policies adopted in the audited consolidated financial statements of the Group for the year ended December 31, 2021, which are in accordance with the Singapore Financial Reporting Standards (International); and ii) the Group did not record any revenue in the trial balance of the Group for the nine (9)-month period from January 1, 2022 to September 30, 2022.
2	Compared the recorded trial balance of the Group from January 1, 2022 to September 30, 2022 to the unaudited financial results of the Group for the aforementioned period included in management's financial results forecast.	We found the amounts compared to be in agreement.
3	Obtained management representations that the financial results forecasted by management of the Group as at November 4, 2022 for the financial year ending December 31, 2022 is expected to be reported as a loss.	We obtained management's written representations without exceptions.

APPENDIX B – IFA CONFIRMATION LETTER

11 November 2022

The Board of Directors
SP Corporation Limited
9 Oxley Rise
#03-02 The Oxley
Singapore 238697

Dear Sir/Madam:

PROPOSED ACQUISITION BY TUAN SING HOLDINGS LIMITED (THE “OFFEROR”) OF ALL THE SHARES IN THE ISSUED SHARE CAPITAL OF SP CORPORATION LIMITED (“SP” OR THE “COMPANY”) (OTHER THAN THE SHARES HELD BY TUAN SING HOLDINGS LIMITED) BY WAY OF A SCHEME OF ARRANGEMENT (THE “SCHEME”)

On 4 November 2022, the Board of Directors of the Company made an announcement entitled “*Profit Guidance for the full year ending 31 December 2022*” (the “**Profit Guidance Announcement**”).

This letter is prepared pursuant to Rule 25 of the Singapore Code on Take-overs and Mergers (the “**Code**”) and for inclusion in the Further Documents (as defined in Notice to Scheme Shareholders regarding electronic dissemination of (a) the Auditors Report; (b) the IFA Confirmation Letter; and (c) the ID Confirmation Letter, in relation to the Profit Guidance for the full year ending 31 December 2022 (“**Notice**”).

We have examined the Profit Guidance Announcement, the unaudited financial results of the Company and its subsidiaries (the “**Group**”) for the nine (9)-month period from 1 January 2022 to 30 September 2022, and management representations on the expected financial results of the Group for the period from 1 October 2022 to 31 December 2022. We also held discussions with the directors of the Company (the “**Directors**”) and management of the Company to whom the responsibility of preparing (a) the Group’s unaudited financial statements for the nine (9)-month period from 1 January 2022 to 30 September 2022 and (b) the expected financial results of the Group for the financial year ending 31 December 2022, has been delegated. We have also considered the report dated 11 November 2022 issued to the Company by Deloitte & Touche LLP, the independent auditors of the Company, entitled “*Agreed-Upon Procedures Report on SP Corporation Limited’s Profit Guidance announced on November 4, 2022*”.

We have relied upon the accuracy and completeness of all financial and other information provided to and/or discussed with us by the Directors and the management of the Company, and have assumed such accuracy and completeness for the purpose of rendering this letter. We have not assumed any responsibility for independently verifying such information or undertaken any independent evaluation or appraisal of any of the assets or liabilities of the Group. The Profit Guidance Announcement is solely the responsibility of the Directors. Save as provided in this letter, we do not express any other opinion or view on the Profit Guidance Announcement.

Based on, and subject to the foregoing, we are of the view that the Profit Guidance Announcement has been made after due and careful enquiry. Our opinion on the Scheme, as set out in our letter dated 3 November 2022 to the directors of the Company who are considered independent for the purposes of the Scheme (the “**Independent Directors**”) *remains the same*.



We have provided this letter to the Directors solely for the purposes of your compliance with Rule 25 of the Code, and for no other purpose. We do not accept any responsibility to any person (other than the Directors) in respect of, arising out of, or in connection, with this letter.

We have given and have not withdrawn our consent to the inclusion of our name and this letter, and all references thereto, in the form and context in which they appear in the Further Documents (as defined in the Notice).

Yours faithfully,
For and on behalf of
Ernst & Young Corporate Finance Pte Ltd

Mah Kah Loon
Chief Executive Officer

APPENDIX C – ID CONFIRMATION LETTER

SP CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 195200115K)

PROPOSED ACQUISITION BY TUAN SING HOLDINGS LIMITED OF ALL THE SHARES IN THE ISSUED SHARE CAPITAL OF SP CORPORATION LIMITED (OTHER THAN THE SHARES HELD BY TUAN SING HOLDINGS LIMITED) BY WAY OF A SCHEME OF ARRANGEMENT

CONFIRMATION LETTER OF THE INDEPENDENT DIRECTORS IN RELATION TO THE PROFIT GUIDANCE ANNOUNCEMENT

Directors:

Cheng Hong Kok (*Chairman, Non-Executive and Independent Director*)

William Nursalim alias William Liem (*Interim Executive Director*)

Leong Kok Ho (*Non-Executive and Non-Independent Director*)

Lim Huei Min (*Non-Executive and Independent Director*)

Tan Kok Seng (*Non-Executive and Independent Director*)

Registered Office:

9 Oxley Rise

#03-02 The Oxley

Singapore 238697

11 November 2022

To: The Scheme Shareholders

Dear Sir/Madam,

CONFIRMATION LETTER OF THE INDEPENDENT DIRECTORS IN RELATION TO THE PROFIT GUIDANCE ANNOUNCEMENT

1. INTRODUCTION

The Board of Directors of SP Corporation Limited (the “**Company**”) wishes to refer shareholders of the Company (the “**Shareholders**”) to:

- (a) the joint announcement dated 20 August 2022 issued by the Company and Tuan Sing Holdings Limited (the “**Offeror**”), in relation to the proposed acquisition (the “**Acquisition**”) by the Offeror of all the shares in the issued share capital of the Company (the “**SP Shares**”), held by Shareholders other than the Offeror (the “**Scheme Shareholders**”). The Acquisition will be effected by the Company by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers (the “**Code**”);
- (b) the announcement dated 19 October 2022 made by the Company, in relation to the receipt of approval-in-principle from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the delisting of the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms, subject to:
 - (i) compliance with the SGX-ST’s listing requirements;

- (ii) approval of the Scheme by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting (as defined below), such majority holding not less than three-fourths in value of the SP Shares held by the Scheme Shareholders voted at the Court Meeting;
 - (iii) the independent financial adviser (the “**IFA**”) opining that the Scheme is fair and reasonable; and
 - (iv) the sanction of the Scheme by the General Division of the High Court of Singapore (the “**Court**”);
- (c) the announcement dated 27 October 2022 made by the Company, in relation to the Court order granting leave to the Company to convene the meeting of the Scheme Shareholders to approve the Scheme (the “**Court Meeting**”);
- (d) the scheme document (the “**Scheme Document**”) dated 3 November 2022 electronically disseminated by the Company to Scheme Shareholders containing, *inter alia*, the following:
 - (i) details of the Scheme, including the opinion of the IFA on the Scheme and the recommendation of the directors of the Company (the “**Directors**”) who are considered independent for the purposes of the Scheme (the “**Independent Directors**”);
 - (ii) the notice of the Court Meeting (the “**Notice of Meeting**”), to be convened and held by way of electronic means on **25 November 2022 at 10.00 a.m. (Singapore time)**, for the purpose of considering and, if thought fit, approving (with or without modification), the resolution relating to the Scheme referred to in the Notice of Meeting; and
 - (iii) the proxy form for the Court Meeting; and
- (e) the announcement dated 4 November 2022 made by the Company, and titled “Profit Guidance for the full year ending 31 December 2022” (the “**Profit Guidance Announcement**”).

Unless otherwise defined, capitalised terms in this letter shall bear the same meaning as set out in the Scheme Document.

2. AUDITORS REPORT, IFA CONFIRMATION LETTER AND ID CONFIRMATION LETTER

2.1. In compliance with Rule 25 of the Code, the Company has today disseminated to the Scheme Shareholders the following documents by electronic means:

- (a) the report of Deloitte & Touche LLP, the external auditors of the Company (the “**Auditors**”) dated 11 November 2022 in relation to the Profit Guidance Announcement (the “**Auditors Report**”);
- (b) the confirmation letter of the IFA dated 11 November 2022 in relation to the Profit Guidance Announcement (the “**IFA Confirmation Letter**”); and

- (c) this confirmation letter of the Independent Directors dated 11 November 2022 in relation to the Profit Guidance Announcement (the “**ID Confirmation Letter**”, and together with the Auditors Report and the IFA Confirmation Letter, the “**Further Documents**”).
- 2.2. The purpose of this ID Confirmation Letter is to set out the opinion of the IFA addressed to the Independent Directors on the Scheme in view of the Profit Guidance Announcement, and the recommendation of the Independent Directors on the Scheme in view of the Profit Guidance Announcement.

3. OPINION OF THE IFA ADDRESSED TO THE INDEPENDENT DIRECTORS IN RELATION TO THE SCHEME IN VIEW OF THE PROFIT GUIDANCE ANNOUNCEMENT

- 3.1. **Appointment of IFA.** Ernst & Young Corporate Finance Pte Ltd has been appointed as the IFA pursuant to Rule 1309(2) of the Listing Rules, as well as to advise the Independent Directors for the purposes of making a recommendation to the Scheme Shareholders in connection with the Scheme. Full details of the Scheme are set out in the Scheme Document, and the opinion of the IFA to the Independent Directors is set out in Appendix 1 to the Scheme Document.
- 3.2. **Opinion of the IFA in relation to the Scheme in view of the Profit Guidance Announcement.** The IFA Confirmation Letter was prepared and issued by the IFA pursuant to Rule 25 of the Code, and after having regard to the considerations set out in the IFA Confirmation Letter based on the information available to the IFA as at the date of the IFA Confirmation Letter. An extract of the IFA Confirmation Letter is reproduced in italics below. Scheme Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter as set out in Appendix 1 to the Scheme Document and the IFA Confirmation Letter in their entirety. Unless otherwise defined or the context otherwise requires, all capitalised terms in the extract below shall have the same meanings ascribed to them in the IFA Confirmation Letter.

*“Based on, and subject to the foregoing, we are of the view that the Profit Guidance Announcement has been made after due and careful enquiry. Our opinion on the Scheme, as set out in our letter dated 3 November 2022 to the directors of the Company who are considered independent for the purposes of the Scheme (the “**Independent Directors**”) remains the same.”*

4. INDEPENDENT DIRECTORS’ RECOMMENDATION IN VIEW OF THE PROFIT GUIDANCE ANNOUNCEMENT

4.1. Independence

For reasons set out in paragraphs 9.2 and 13.1 of the letter to Scheme Shareholders in the Scheme Document (the “**Letter to Shareholders**”), Mr Cheng Hong Kok and Mr William Nursalim alias William Liem will be abstaining from making a recommendation of the Scheme to the Scheme Shareholders.

Mr Cheng Hong Kok and Mr William Nursalim alias William Liem must, however, still assume responsibility for the accuracy of facts stated and opinions expressed in documents and advertisements issued by, or on behalf of, the Company to the Scheme Shareholders in connection with the Scheme.

4.2. **Recommendation**

As set out in paragraph 13.2 of the Letter to Shareholders, the Independent Directors had previously recommended that Scheme Shareholders **VOTE IN FAVOUR** of the Scheme at the Court Meeting.

Having carefully considered the Profit Guidance Announcement, the Auditors Report and the IFA Confirmation Letter, the Independent Directors continue to recommend that Scheme Shareholders **VOTE IN FAVOUR** of the Scheme at the Court Meeting.

Scheme Shareholders should also be aware and note that there is no assurance that the trading volumes and market prices of the Scheme Shares will be maintained at the current levels prevailing as at the date of this letter if the Scheme does not become effective and binding for whatever reason. In the event the Scheme becomes effective, it will be binding on all Scheme Shareholders whether or not they were present in person or by proxy or voted to approve the Scheme at the Court Meeting. Scheme Shareholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

4.3. **No regard to specific objectives**

As set out in paragraph 13.3 of the Letter to Shareholders, the Independent Directors advise Scheme Shareholders, in deciding whether or not to vote in favour of the Scheme, to carefully consider the opinion of the IFA and in particular, the various considerations highlighted by the IFA in the IFA Letter and the IFA Confirmation Letter.

In giving the above recommendation, the Independent Directors have not had regard to the specific objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints and circumstances of any individual Scheme Shareholder. As each Scheme Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Scheme Shareholder who may require advice in the context of his/her/its specific investment objectives or portfolio should consult his/her/its stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

5. **CONSENTS**

- 5.1. **Auditors.** The Auditors have given and have not withdrawn their written consent to the issue of the Auditors Report, the inclusion therein of their name and all references to their name and the Auditors Report in the form and context in which it appears in the Further Documents.
- 5.2. **IFA.** The IFA has given and has not withdrawn its written consent to the issue of the IFA Confirmation Letter, the inclusion therein of its name and all references to its name and the IFA Confirmation Letter in the form and context in which it appears in the Further Documents.
- 5.3. **Documents available for inspection.** Copies of the letters of consent referred to in paragraphs 5.1 and 5.2 of this letter are available for inspection at the registered office of the Company at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697 from the date of this letter up to the date on which the Scheme becomes effective in accordance with its terms.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of the preparation of this letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this letter which relate to the Company (excluding information relating to the Offeror or any opinion expressed by the Offeror) are fair and accurate and that, where appropriate, no material facts which relate to the Company have been omitted from this letter, the omission of which would make any statement in this letter misleading, and the Directors jointly and severally accept responsibility accordingly.

Where any information which relates to the Company has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this letter. The Directors do not accept any responsibility for any information relating to the Offeror or any opinion expressed by the Offeror.

Yours faithfully,
For and on behalf of
SP Corporation Limited

Ms. Lim Huei Min
Non-Executive and Independent Director