

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