

Interested Person Transaction::Loan to Interested Person

Issuer & Securities

Issuer/ Manager	SP CORPORATION LIMITED
Securities	SP CORPORATION LIMITED - SG1AJ0000007 - AWE
Stapled Security	No

Announcement Details

Announcement Title	Interested Person Transaction
Date & Time of Broadcast	24-Sep-2018 12:08:29
Status	New
Announcement Sub Title	Loan to Interested Person
Announcement Reference	SG180924OTHROYJP
Submitted By (Co./ Ind. Name)	Helena Chua
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the attachment.

Additional Details

Interested Person Details	Please refer to the attachment.
Attachments	SBA-180924-Loan to Interested Person.pdf Total size =71K



LOAN TO INTERESTED PERSON

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of SP Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that SP Global Hong Kong Limited (“**SPGHK**”), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong, has entered into a loan agreement (“**Loan Agreement**”) with Nuri Investments (S) Pte. Ltd. (the “**Borrower**”) on 24 September 2018.

2. RATIONALE AND BACKGROUND

- 2.1 Pursuant to the Loan Agreement, SPGHK will grant a loan of S\$20 million to the Borrower. The salient terms of the Loan Agreement and the financial effects are elaborated in the respective paragraphs 3 and 4 below.
- 2.2 The Board considers it beneficial for the Company as it gives an opportunity for the Group to optimise returns on its available funds and ultimately enhance the shareholders’ value.
- 2.3 The Borrower is wholly owned by Nuri Holdings (S) Pte Ltd (“**Nuri**”), a deemed substantial shareholder of the Company, and therefore regarded as an interested person of the Company for the purpose of Rule 904(4)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Accordingly, the entry into the Loan Agreement between SPGHK and the Borrower constitutes an “interested person transaction” within the meaning of Chapter 9 of the Listing Manual of the SGX-ST (“**Mainboard Rules**”).
- 2.4 Pursuant to the shareholders’ mandate for interested person transactions renewed by the Company’s shareholders at the annual general meeting of the Company held on 17 April 2018 (“**IPT Mandate**”), the provision of loans to Nuri and/or its associates is one of the interested person transactions covered by the IPT Mandate. Accordingly, the entry into the Loan Agreement is not separately subject to Rules 905 and 906 of the Mainboard Rules.
- 2.5 Nonetheless, the Board wishes to disclose to shareholders the principal terms of the Loan Agreement.



SP CORPORATION LIMITED

(Company Registration No. 195200115K)

3. SALIENT TERMS OF THE LOAN AGREEMENT

3.1 The terms and conditions of the Loan Agreement were negotiated and agreed upon by the parties on an arm's length basis.

3.2 A summary of the principal terms of the Loan Agreement is set out below:

- (a) Loan Amount: Pursuant to the Loan Agreement, SPGHK will grant a loan of S\$20 million ("**Loan**") to the Borrower.
- (b) Availability: The availability period of the Loan commenced on the date of the Loan to and including five (5) business days from the date of the Loan Agreement or such other date agreed in writing between SPGHK and the Borrower.
- (c) Interest: The interest on the Loan is 7.5% per annum, and computed by reference to the outstanding principal amount of the Loan.
- (d) Repayment Date: The repayment date means one (1) year from the date on which the Loan is disbursed by SPGHK to the Borrower or such later date agreed in writing between the parties. The Borrower shall repay the Loan and all accrued interest in full on the Repayment Date in cash or in such other repayment method as otherwise agreed between the parties, subject to appropriate valuation being conducted in respect of any other repayment method. In this regard, the Company (subject to its shareholders' approval, if required) is given an opportunity to participate in the ¥5 billion Sanya Integrated Development project ("**Sanya Project**") by electing to be repaid in new shares to be issued in the capital of Sanya Summer Real Estate Co. Ltd., the developer of the Sanya Project.
- (e) Utilisation: Unless otherwise agreed by SPGHK in writing, only one utilisation request may be delivered by the Borrower under the Loan Agreement.

4. FINANCIAL EFFECTS

4.1 The following pro forma financial effects of the Loan on the Group are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of the Group following completion of the Loan.

4.2 The pro forma financial effects have been prepared on the following bases and assumptions:



SP CORPORATION LIMITED

(Company Registration No. 195200115K)

- (a) the pro forma financial effects have been computed on the basis that the Loan will be fully repaid in cash. If the Loan were to be repaid in other repayment method as other agreed between the parties, the following pro forma financial effects would not apply;
- (b) the Loan is funded through internal resources;
- (c) the estimated transaction costs relating to the Loan are expected to be funded by internal resources and have been taken into account in computing the pro forma financial effects; and
- (d) the pro forma financial effects have been computed based on the latest published audited consolidated financial statements of the Company for the financial year ended 31 December 2017 (“FY 2017”).

4.3 For illustrative purposes only and assuming that the Loan had been disbursed on 1 January 2017, being the beginning of FY 2017, and fully repaid on 31 December 2017, being the end of FY 2017, the pro forma financial effects of the earnings of the Group are as follows:

	Before the Loan	After the Loan
Profit for the financial year (S\$ million)	0.45	1.63
Earnings per ordinary share based on weighted average number of shares (cents)	1.27	4.66

4.4 For illustrative purposes only and assuming that the Loan had been disbursed on 1 January 2017, being the beginning of FY 2017, and fully repaid on 31 December 2017, being the end of FY 2017, the pro forma financial effects on the net asset value of the Group are as follows:

	Before the Loan	After the Loan
Net Assets (S\$ million)	50.81	51.99
Less: Intangibles (S\$ million)	-	-
Net tangible assets (S\$ million)	50.81	51.99
Total number of issued shares (excluding treasury shares) (million)	35.10	35.10
Net asset value per ordinary share (S\$)	1.45	1.48



SP CORPORATION LIMITED

(Company Registration No. 195200115K)

5. AUDIT AND RISK COMMITTEE'S STATEMENT

Members of the Audit and Risk Committee ("**ARC**"), save for Mr David Lee Kay Tuan (spouse of Ms Michelle Liem Mei Fung) who recused himself from the deliberation, is of the view that the Loan Agreement is entered into on an arm's length basis on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Ms Michelle Liem Mei Fung ("**Ms Liem**"), a deemed substantial shareholder of the Company, is a Director and shareholder of Nuri. Ms Liem is also the spouse, niece and sister of the Company's Directors, Mr David Lee Kay Tuan, Mr Boediman Gozali (alias Tony Wu) and Mr William Nursalim alias William Liem ("**Mr Liem**"), respectively.

Mr Liem, a non-executive Director of the Company is also a Director and shareholder of Nuri.

Mr David Lee Kay Tuan, a non-executive Director of the Company, is the spouse of Ms Liem and a brother-in-law of Mr Liem. He is also a Director of Nuri.

Save for the aforesaid, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Loan Agreement, save through their respective shareholdings in the Company (if any).

BY ORDER OF THE BOARD

Helena Chua
Company Secretary
24 September 2018