

SHARE CONSOLIDATION::MANDATORY

Issuer & Securities

Issuer/ Manager

JACKSPEED CORPORATION LIMITED

Security

JACKSPEED CORPORATION LIMITED - SG1075914679 - J17

Announcement Details

Announcement Title

Share Consolidation

Date & Time of Broadcast

22-Apr-2019 18:40:07

Status

New

Corporate Action Reference

SG190422SPLRJDJZ

Submitted By (Co./ Ind. Name)

Chua Sze Chyi

Designation

Executive Director

Event Narrative

Narrative Type	Narrative Text
Additional Text	Proposed share consolidation of every two (2) existing ordinary shares (including treasury shares) into one (1) ordinary share.
Additional Text	Please refer to attachment.

Disbursement Details

Existing Security Details

New Security Details

Security not found

No

Fractional Disposition Method

Round down fraction to last full unit

Distribution Ratio (New: Old)

1:2

Attachments

[Jackspeed%20-%20Announcement%20-%20Share%20Consolidation.pdf](#)

Total size =284K MB

JACKSPEED CORPORATION LIMITED

(Company Registration No. 199300300W)

Incorporated in the Republic of Singapore

PROPOSED SHARE CONSOLIDATION OF EVERY TWO (2) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (INCLUDING TREASURY SHARES) INTO ONE (1) ORDINARY SHARE AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, AND FRACTIONAL ENTITLEMENT TO BE DISREGARDED (THE “PROPOSED SHARE CONSOLIDATION”)

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Jackspeed Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a share consolidation exercise to consolidate every two (2) existing ordinary shares (collectively referred to as “**Shares**” and each, a “**Share**”) (including treasury shares) into one (1) ordinary share (collectively referred to as the “**Consolidated Shares**” and each a “**Consolidated Share**”).

Accordingly, under the Proposed Share Consolidation, every two (2) Shares registered in the name of each shareholder of the Company (each a “**Shareholder**”) as at the books closure date to be determined by the Directors in their absolute discretion (the “**Books Closure Date**”) will be consolidated to constitute one (1) Consolidated Share.

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

- 2.1 Subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at a general meeting to be convened (the “**Meeting**”), pursuant to the Proposed Share Consolidation, every two (2) Shares registered in the name or standing to the credit of the securities account of each Shareholder or depositor (as the case may be) as at the Books Closure Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.
- 2.2 Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.
- 2.3 **Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner and on such terms as the Board may, in their absolute discretion, deem fit in the best interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating all or any of them and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractional Consolidated Shares which are disregarded or any of the proceeds arising from any aggregation and sale of such fractions.**

- 2.4 Shareholders whose shareholdings, as at the Books Closure Date, are less than two (2) existing Shares should note that the Proposed Share Consolidation may result in such Shareholders being no longer Shareholders upon completion of the Proposed Share Consolidation. As such, Shareholders should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. **Such Shareholders may, subject to such advice on actions that they should take and their own investment policies and risk / return requirements, consider the possibility of purchasing additional Shares so as to increase the number of existing Shares held to multiples of two (2) existing Shares prior to the Books Closure Date so as to remain as Shareholders upon the completion of the Proposed Share Consolidation.**
- 2.5 As at the date of this announcement, the Company has an issued and paid-up share capital of S\$36,865,088 comprising 301,252,279 Shares (including treasury shares). Following the completion of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of S\$36,865,088 comprising approximately 150,626,139 Consolidated Shares, after disregarding fractional interests in the Consolidated Shares arising from the Proposed Share Consolidation and assuming that there will be no new Shares issued by the Company up to the Books Closure Date.
- 2.6 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 equity of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any material changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and the disregard of the fractional entitlement.

3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

- 3.1 The Board believes that the Proposed Share Consolidation is beneficial to the Company for the following reasons:

(a) Compliance with the Minimum Trading Price Requirement

Rule 1311 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") states that an issuer will be placed on the SGX-ST watch-list if it records a volume-weighted average price of less than S\$0.20 and an average daily market capitalisation of less than S\$40 million over the last 6 months prior to the date of review by SGX-ST (collectively, the "**MTP Requirement**"). The SGX-ST conducts half-yearly reviews on the first market day of June and December each year to assess whether issuers meet the MTP Requirement, and issuers which are not able to record a six-month volume weighted average price of S\$0.20 and which have an average daily market capitalisation of less than S\$40 million for the 6 months prior to the date of review by SGX-ST, will be placed on the watch-list. Issuers which are unable to take steps to meet the MTP Requirement and exit the watch-list will be delisted after a 36-month cure period. The Company was placed on the watch-list with regards to the MTP Requirement on 5 June 2017 and has until 4 June 2020 to meet the MTP Requirement and exit the said watch-list.

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders as a whole as the Proposed Share Consolidation would facilitate the Company's ability to satisfy and be in compliance with the continuing listing requirement imposed by the SGX-ST for issuers listed on the Main Board of the SGX-ST to have a minimum trading price per share of S\$0.20.

(b) Reduction of volatility of the Share price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded share prices may translate to higher transaction costs, relative to the trading prices, for each trading of one board lot of Shares. In addition, low traded share prices are generally more prone to speculation and market manipulation, which may result in excessive Share price volatility.

The Board therefore believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its Share price and reduce fluctuations in the Company's market capitalisation, and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

(c) Increase in the market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding. It is expected that, all other things being equal, the theoretical trading price and net tangible assets of each Consolidated Share would be higher than the trading price and net tangible assets of each existing Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation. This may increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base.

- 3.2 However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

4. APPROVALS AND CONDITIONS

- 4.1 The Proposed Share Consolidation is subject to, *inter alia*, the following:

- (a) the approval of Shareholders for the Proposed Share Consolidation at the Meeting to be convened; and
- (b) the in-principle approval of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Main Board of the SGX-ST (the "LQN").

- 4.2 An application will be made to the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Main Board of the SGX-ST. The Company will release an announcement on the outcome of the application in due course upon receipt of the LQN from the SGX-ST.

5. DESPATCH OF CIRCULAR

- 5.1 A circular containing, *inter alia*, notice of the Meeting and further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

- 5.2 Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors of the Company are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

6. 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, and 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

Yap Kian Peng
Executive Deputy Chairman and Chief Executive Officer
22 April 2019