

**JACKSPEED CORPORATION LIMITED**  
(Company Registration No. 199300300W)  
(Incorporated in Singapore)  
(the “**Company**”)

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**CLARIFICATION ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE  
FINANCIAL YEAR ENDED 28 FEBRUARY 2021**

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The Board of Directors (the “**Board**”) of the Company wishes to announce the following in response to queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) pertaining to the Company’s Annual Report for the financial year ended 28 February 2021 (“**FY2021**”):

**SGX-ST Query (a)**

It is noted that the Company’s independent auditors have raised a “Material uncertainty related to going concern” in the independent auditor’s report. Please address the following queries:

	<b>SGX-ST Query (a)</b>	<b>Reply from Company</b>
i	the Board of Directors’ assessment of the Group’s ability to continue operating as a going concern and the bases for the said assessment;	The Board is satisfied that the Company is able to operate as a going concern based on:  (1) financial support obtained from a related party, Jackspeed Holdings Pte. Ltd.; and  (2) directors not demanding payment of the amounts payable.
ii	the Board of Directors’ opinion as to whether trading of the Company’s shares should be suspended pursuant to Listing Rule 1303(3) and the bases of its views; and	This is not applicable as the shares of the Company was suspended since 6 January 2020.  The suspension was based on Rule 1018(1) of the Listing Manual of SGX-ST (“ <b>Listing Manual</b> ”), which states that if the assets of an issuer consist wholly or substantially of cash or short-dated securities, its securities will normally be suspended.
iii	the Board of Directors’ confirmation as to whether all material disclosures have been provided for trading of the Company’s shares to continue in an orderly manner; and the bases for its views.	

### **SGX-ST Query (b)**

We note that the Company has disclosed on page 22 to 23 of its 2021 Annual Report:-

“For FY2021, the Board has received assurances from:

- a) the CEO of the Company that the financial records have been properly maintained and the financial statements give a true and fair view of the Company’s operations and finances; and
- b) the CEO who is responsible, regarding the adequacy and effectiveness of the Company’s risk management and internal control systems in addressing financial, operational, compliance and information technology risks are operating effectively.”

Please make disclosure as required under Listing Rule 710, in particular, whether the Board has received assurance from the CEO and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the company’s operations and finances.

### **Reply from Company**

The Group Financial Controller of the Company, who was overseeing the finance management, had stepped down since 31 August 2020 while continuing to be on the Board as Non-Executive Director. In consideration that the Company has no operations, the CEO has since been overseeing the finance management in the interim, as per announcement on 14 August 2020. The CEO consults the Non-Executive Director in the finance management matters.

The Board has received assurance from the CEO, who is also overseeing the financial management of the Company, that the financial records have been properly maintained and the financial statements give a true and fair view of the Company’s operations and finances.

**SGX-ST Query (c)**

With reference to the audited statement of cash flows on page 41 of the Company's 2021 Annual Report, please provide an explanation for the material difference in the amounts of the following items, as compared to the unaudited financial results announcement of the Company for the year ended 28 February 2021:-

- i. The net cash flows from operating activities of \$1,277,000 as compared to the net cash flows from operating activities of \$1,758,000; and
- ii. The net cash flows used in financing activities of \$1,478,000 as compared to the net cash flows used in financing activities of \$1,959,000.

**Reply from Company**

Statement of Cash Flows	Annual Report	Unaudited Financial Statements	Difference
	\$'000	\$'000	\$'000
Net cash flows from operating activities	1,277	1,758	(481)
Net cash flows used in financing activities	(1,478)	(1,959)	481

The Company has reclassified net cash flows of \$481,000 from advances from a related party, from operating activities to financing activities to better reflect the nature of the transactions.

### **SGX-ST Query (d)**

We note that the Company had not complied with Provision 2.4 of the Code as you have not disclosed your board diversity policy and progress made towards implementing the board diversity policy, including objectives, and there were no explanations were provided for in your 2021 annual report on how it is consistent with the intent of Principle 2 of the Code.

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

### **Reply from Company**

The Company endeavours to ensure that the Board comprises individuals with diverse experience and expertise who, as a group, will provide an appropriate balance and range of skills, experience, perspectives and knowledge for effective stewardship of the Company's business. Although the Company has yet to adopt a board diversity policy, the Company has embraced all aspects of diversity in the current Board composition, including gender and age diversity. The right blend of skills, industry knowledge, relevant experience, suitability, shall remain as priority. In view that the Company is currently a cash company with no operations, the Board and NC were of the view that the current Board size of four directors with one Executive, two Independents and one Non-Executive are sufficient at the moment. The Board and NC will continue to review the composition and Board size and its diversity as and when the circumstances arise.

The Nominating Committee is charged with the responsibility of determining annually whether a director is independent. Each independent director is required to complete a confirmation of independence drawn up based on the Principle 2 of the Code. He is required to disclose to the Board any relationships or circumstances which are likely to affect, or could appear to affect, his judgment, as disclosed on page 11 of the Annual Report.

The Board regularly examines its composition and size to assess the optimal number needed to facilitate robust engagement and effective decision-making. Board membership is periodically renewed with the appointment of new members with the right mix of skills, talents and experience, and who have the capacity to contribute effectively. Given the above, the Board and the NC are satisfied that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

As detailed on page 12 of the Annual Report, the Board and its board committees are of an appropriate size and with the right mix of skills and diverse expertise and experience given the nature and scope of the Company's operations. The Directors have extensive experience, stature and potential to contribute to the proper guidance of the Company and its businesses. This balance is important in ensuring that the overall direction and strategies proposed by the Management are fully discussed and examined, taking into account the long-term interests of the Company.

Despite all the Directors bear an equal responsibility for the Company's operations, the Independent Directors play an important role in ensuring that the strategies proposed by the Management are constructively challenged and developed by taking into account the long-term interests of the shareholders. The Non-Executive and Independent Directors actively participated during the Board and Board Committee meetings to discuss matters such as the Company's financial performance, corporate governance initiatives, board processes, succession planning, as well as leadership development and the remuneration of the

Executive Directors. Where necessary, the Company would coordinate at least one informal meeting sessions for the Non-Executive and Independent Directors to meet without the presence of the Management and feedback on issues discussed is thereafter provided to the Chairman of the Board, as disclosed in page 12 of the Annual Report.

The Company is of the view that it has complied with Provision 2.4 of the Code as the practices it has adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

### **SGX-ST Query (e)**

We note that the Company had not complied with Provision 8.1(a) of the Code with regards to the disclosure of remuneration, and no explanations were provided for in your 2021 annual report on how it is consistent with the intent of Principle 8 of the Code.

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

### **Reply from Company**

The Company had provided the names, amounts (in bands of \$250,000) and percentage breakdown in terms of categories and components paid to Directors for FY2021, on page 20 of the Annual Report.

The Company had also provided the following explanation on page 20 of the Annual Report, where it deviates from Provision 8.1 of the Code:

“The Board is of the view that the remuneration of the Directors and top five Key Management Personnel (Executives who are not Directors or CEO) in bands of \$250,000 provides sufficient overview of the remuneration of the Company while maintaining confidentiality of staff remuneration matters and is in the best interests of the Company given the competitive conditions in the industry. The Company further explained that following the disposal of the Company's entire business and business assets in FY2020 and in view that the Company is now considered cash company with no significant activities in the financial year, the Company did not have any Key Management Personnel (Executives who are not Directors or CEO).”

The Board is also of the view that the disclosure of the indicative range and percentage of the Directors' remuneration provides a reasonable amount of information on the Company's remuneration framework to enable the shareholders to understand the link between the Company's performance and the remuneration of the Directors and the Key Management Personnel. The policy and criteria for setting remuneration are also enumerated under Principle 6 and Principle 7 on page 18 and page 19 of the Annual Report.

The Board is of the view that Listing Rule 710 has been complied with respect to Provision 8.1 of the Code.

By Order of the Board

Chua Sze Chyi  
Non-Executive Director  
25 June 2021