

**ACQUISITIONS AND DISPOSALS :: DISCLOSEABLE TRANSACTION :: ACQUISITION OF 100% EQUITY INTEREST IN ULTIMATE VEHICLE PTY LTD**



*\* Asterisks denote mandatory information*

<b>Name of Announcer *</b>	JACKSPEED CORPORATION LIMITED
<b>Company Registration No.</b>	199300300W
<b>Announcement submitted on behalf of</b>	JACKSPEED CORPORATION LIMITED
<b>Announcement is submitted with respect to *</b>	JACKSPEED CORPORATION LIMITED
<b>Announcement is submitted by *</b>	Chua Sze Chyi
<b>Designation *</b>	Joint Company Secretary
<b>Date &amp; Time of Broadcast</b>	07-Oct-2012 18:34:37
<b>Announcement No.</b>	00006

**>> ANNOUNCEMENT DETAILS**

*The details of the announcement start here ...*

<b>Announcement Title *</b>	ACQUISITION OF 100% EQUITY INTEREST IN ULTIMATE VEHICLE PTY LTD
<b>Description</b>	Please refer to attachment.
<b>Attachments</b>	<a href="#">📄 Acquisition_of_Ultimate.pdf</a> Total size =21K (2048K size limit recommended)

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

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**ACQUISITION OF 100% EQUITY INTEREST IN  
ULTIMATE VEHICLE PTY LTD**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Jackspeed Corporation Limited (the “**Company**” or the “**Group**”) wishes to announce that the Company has, on 5 October 2012, entered into and completed the Share Sale Agreement (the “**Agreement**”) with Mr David Franz Buschkuehl (the “**Vendor**”), Southern Motor Trimming Pty Ltd (the “**Creditor**”) and Ultimate Vehicle Pty Ltd ( “**UVPL**”) whereby the Company had acquired 100 ordinary shares representing 100% of the shares in the capital of UVPL which will hold stocks and plant and equipment (the “**Acquisition**”).

**2. INFORMATION ON ULTIMATE VEHICLE PTY LTD**

UVPL is a company incorporated in Australia and has an issued and paid-up capital of AUD\$100 (approximately S\$126 in equivalent) comprising of 100 ordinary shares. The principal activities of UVPL are the distribution and installation of car leather seating, sunroofs, canopies and other car accessories. Please note that the exchange rate disclosed in this Announcement is AUD\$1: S\$1.2587.

**3. CONSIDERATION OF THE ACQUISITION**

The total purchase consideration for the Acquisition is AUD\$1,608,693 (approximately S\$2,024,862 in equivalent) consisting of:

- (i) AUD\$100 (approximately S\$126 in equivalent) for the issued and paid up capital; and
- (ii) AUD\$1,608,593 (approximately S\$2,024,736 in equivalent) for the shareholder’s loan to pay the Creditor, for discharging of the amount that UVPL is indebted to the Creditor (the “**Purchase Consideration**”).

The Purchase Consideration was arrived at arm’s length on a willing buyer willing seller basis between the Company and the Vendor after taking into account of the following:

- (a) the business potential of UVPL in view of the nature of their businesses in car accessories and seating distributor and installer;
- (b) the book value of the stock balance of UVPL as at 30 September 2012 of AUD\$868,693 (approximately S\$1,093,424 in equivalent) ; and
- (c) the book value of the plant and equipment of UVPL as at 30 September 2012 of AUD\$140,000 (approximately S\$176,218 in equivalent).

#### **4. THE BOOK VALUE OF THE ASSETS TO BE ACQUIRED**

Based on the latest available unaudited management accounts of UVPL as at 30 September 2012:

- (i) The book value of stock balance of UVPL was AUD\$868,693 (approximately S\$1,093,424 in equivalent); and
- (ii) The book value of plant and equipment of UVPL was AUD\$140,000 (approximately S\$176,218 in equivalent).

#### **5. MATERIAL TERMS OF THE ACQUISITION**

The Company and the Vendor have procured and done all things necessary to ensure the execution of the following:

- (i) As part of the Purchase Consideration, the Company shall lend UVPL the loan advancement of AUD\$1,608,593 (approximately S\$2,024,736) for discharging of the amount that UVPL is indebted to the Creditor.
- (ii) Lease agreement between UVPL and the Creditor, the landlord, for the lease of office premise at 29 Sir Laurence Drive, Victoria, Seaford, Australia. The rental is charged at the current market rate for terms of three (3) years with three (3) year renewal option at prevailing market rate.
- (iii) Consultancy agreement to engage the Vendor and Mrs Colleen Buschkuehl as consultants of UVPL. The consultancy agreement shall end on 31 December 2012 or otherwise as mutually agreed.

#### **6. RATIONALE FOR THE ACQUISITION**

The Acquisition is in line with the Company's on-going strategic efforts of exploring business opportunities through the expansion of its existing market share to the automotive industry in Australia.

The Acquisition will also enhance the Company's earnings base in businesses related to the automotive industry which is in line with the Company's corporate vision and business strategy.

#### **7. SOURCE OF FUNDS FOR THE ACQUISITION**

The Acquisition will be funded through the Group's internal sources. In addition, the Company will also consider and evaluate various financing alternatives, including but not limited to external bank borrowings.

## 8. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Acquisition computed on the bases set out in Rule 1006(a) to Rule 1006(d) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) are as follows:-

		Relative Computation (%)
1006(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value.	Not applicable as this transaction is an acquisition and not a disposal of assets.
1006(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits.	The net profit, attributable to the shares acquired, of AUD\$390,000 (approximately S\$491,000 in equivalent) represents approximately 19.4% of the Group’s net profit of S\$2,527,000.
1006(c)	Aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares.	The purchase consideration of AUD\$1,608,693 (approximately S\$2,024,862 in equivalent) represents approximately 5.0% of the Company’s market capitalization of approximately S\$40,417,923* as at 5 October 2012.
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable.

\*Based on the volume weighted average closing price per share on 5 October 2012, being the last market day on the date of the Agreement.

As the relative figures calculated on the bases set out in Rule 1006(a) to Rule 1006(d) of the Listing Manual of the SGX-ST exceed 5% but are less than 20%, the Acquisition is a discloseable transaction under Rule 1010 of the Listing Manual of the SGX-ST, for which the approval of the shareholders of the Company is not required.

## 9. FINANCIAL EFFECTS OF THE ACQUISITION

The proforma financial effects of the Acquisition on the (i) net tangible assets per share of the Group (assuming the Acquisition had been completed at the end of the financial year ended 29 February 2012 (“FY2012”); and (ii) the earnings per share of the Group (assuming that the Acquisition had been completed at the beginning of FY2012) based on the audited financial statements of the Group for FY2012, are set out below.

The proforma financial effects are theoretical in nature and only for illustrative purposes. They do not represent the actual financial position and/or results of the

Group's operations after the completion of the Acquisition and are not indicative of the future financial position and earnings of the Group.

- (i) Effect of the Acquisition on Net Tangible Assets Per Share ("NTA")

	<b>Before Acquisition</b>	<b>After Acquisition*</b>
<b>NTA per share (cents)</b>	13.05	12.69

\*Based on the unaudited financial statements of UVPL for the financial year ended 30 June 2012.

- (ii) Effect of the Acquisition on Earnings Per Share

	<b>Before Acquisition</b>	<b>After Acquisition*</b>
<b>Earnings per share (cents)</b>	0.94	1.11

\*Based on the unaudited financial statements of UVPL for the financial year ended 30 June 2012.

#### **10. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Acquisition.

#### **11. DIRECTOR'S SERVICE CONTRACTS**

No person is to be appointed as a Director of the Company in connection with the Acquisition.

#### **12. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Agreement will be made available for inspection during normal business hours at the Company's registered office at 47 Loyang Drive Singapore 508955 for a period of 3 months from the date of this announcement.

BY ORDER OF THE BOARD

Yap Kian Peng  
Executive Chairman and Chief Executive Officer  
7 October 2012