

**Annual General Meeting::Voluntary****Issuer & Securities**

<b>Issuer/ Manager</b>	JACKSPEED CORPORATION LIMITED
<b>Security</b>	JACKSPEED CORPORATION LIMITED - SG1075914679 - J17

**Announcement Details**

<b>Announcement Title</b>	Annual General Meeting
<b>Date &amp; Time of Broadcast</b>	08-Jun-2018 17:43:19
<b>Status</b>	New
<b>Announcement Reference</b>	SG180608MEETB8JL
<b>Submitted By (Co./ Ind. Name)</b>	Chew Kok Liang
<b>Designation</b>	Company Secretary
<b>Financial Year End</b>	28/02/2018

**Event Narrative**

<b>Narrative Type</b>	<b>Narrative Text</b>
Additional Text	Please refer to the attachment - Notice of Annual General Meeting and the Circular in relation to the Proposed Renewal of the Share Purchase Mandate

**Event Dates**

<b>Meeting Date and Time</b>	26/06/2018 10:00:00
<b>Response Deadline Date</b>	24/06/2018 10:00:00

**Event Venue(s)**

<b>Place</b>	
<b>Venue(s)</b>	<b>Venue details</b>
Meeting Venue	Nordic Conference Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927

<b>Attachments</b>
<a href="#">📎 <u>Jackspeed Corporation Limited - Notice of AGM FY2018.PDF</u></a> <a href="#">📎 <u>Jackspeed Corporation Limited - Circular - Proposed Renewal of the Share Purchase Mandate.PDF</u></a> Total size =135K

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Jackspeed Corporation Limited (the "Company") will be held at Nordic Conference Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 on Tuesday, 26 June 2018 at 10.00 a.m. for the following purposes:-

### AS ORDINARY BUSINESSSES

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 28 February 2018 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a final dividend (tax exempt one-tier) of S\$0.005 per ordinary share for the financial year ended 28 February 2018. **(Resolution 2)**
3. To re-elect the following Directors of the Company who are retiring pursuant to Regulation 107 of the Constitution of the Company:-
  - (i) Mr Toh Tiong San **(Resolution 3)**
  - (ii) Mr Yap Kian Peng **(Resolution 4)**

*[See Explanatory Note (i)]*
4. To approve the payment of Directors' fees of S\$265,000 for the year ended 28 February 2018 (2017: S\$265,000). **(Resolution 5)**
5. To re-appoint Messrs RSM Chio Lim LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

### AS SPECIAL BUSINESSSES

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:-

7. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**  
That pursuant to Section 161 of the Companies Act, Cap. 50 ("Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:-
  - (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
  - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,(the "Share Issue Mandate")  
provided that:-
  - (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
  - (2) subject to such calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:-
    - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
    - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
    - (c) any subsequent bonus issue, consolidation or subdivision of shares;
  - (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
  - (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments, whichever is earlier. **(Resolution 7)**

*[See Explanatory Note (ii)]*
8. **Authority to issue shares under the Jackspeed Share Award Scheme**  
That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant awards ("Awards") in accordance with the provision of the Jackspeed Share Award Scheme ("ESAS") and to issue and/or deliver from time to time such number of shares in the capital of the Company (excluding treasury shares and subsidiary holdings) as may be required to be issued and/or delivered pursuant to the ESAS shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, but subject to the aggregate number of shares available under all schemes including share award/share plans must not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 8)**  

*[See Explanatory Note (iii)]*
9. **Renewal of Share Purchase Mandate**  
That:-
  - (a) for the purposes of Sections 76C and 76E of the Companies Act, as may be amended or modified from time to time, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the Company ("the Shares") not exceeding in aggregate 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) and subject to the Companies Act, as at the date of the passing of this Resolution, at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:-
    - (i) on-market purchases (each a "Market Purchase") transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
    - (ii) off-market purchases (each an "Off-Market Purchase") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act,and otherwise in accordance with all other laws, regulations and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate").
  - (b) purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the passing of this Resolution and up to the earliest of:-
    - (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
    - (ii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated; or
    - (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by shareholders in general meeting.
  - (c) in this Resolution:-  
**"Maximum Price"**, in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, commission, applicable goods and services tax and other related expenses) not exceeding:-
    - (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
    - (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter) of the Shares,For the above purposes:-  
**"Average Closing Price"** means the average of the closing market prices of Shares over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and  
**"date of the making of the offer"** means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.
  - (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution. **(Resolution 9)**

*[See Explanatory Note (iv)]*

By Order of the Board

Chua Sze Chyi / Chew Kok Liang  
Joint Company Secretaries

11 June 2018  
Singapore

### Explanatory Notes:-

- (i) Mr Toh Tiong San will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and Audit Committee and a member of the Remuneration Committee. He will be considered as independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.  
Mr Yap Kian Peng will, upon re-election as Director of the Company, remain as an Executive Deputy Chairman, a member of the Remuneration Committee and Audit Committee and will be considered non-independent.
- (ii) The Ordinary Resolution 7, in item 7 above, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.  
For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.
- (iii) The Ordinary Resolution 8, in item 8 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards under the ESAS and other share-based incentive schemes of the Company up to a number not exceeding in total (for the entire duration of the ESAS) 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time, but subject to the aggregate number of shares available under all schemes including share award/share plans must not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time.
- (iv) The Ordinary Resolution 9, in item 9 above, if passed, relates to the renewal of the share purchase mandate, which was first approved by the Shareholders on 26 June 2013 and was renewed at the previous annual general meetings of the Company, authorising the Company to purchase its own Shares. Refer to the Circular to Shareholders dated 11 June 2018 accompanying the Notice of Annual General Meeting for more information.

### Notes:-

1. (a) A member of the Company (other than a Relevant Intermediary\*), entitled to attend, speak and vote at a meeting of the Company, is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. Where such member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his or her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (b) A member who is a Relevant Intermediary\* is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting of the Company may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
2. A proxy need not be a member of the Company.
3. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 221 Henderson Road, #06-15 Henderson Building, Singapore 159557 not less than 48 hours before the time appointed for holding the Meeting.

\*A Relevant Intermediary is:-

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

### PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (and/or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (and/or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (and/or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (and/or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and/or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**CIRCULAR DATED 11 JUNE 2018**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all your shares in the capital of Jackspeed Corporation Limited (the “**Company**”), you should immediately forward this Circular to the purchaser, transferee, the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.



**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

This Circular is circulated to Shareholders of the Company together with the Company’s Annual Report. The purpose of this Circular is to provide Shareholders with information pertaining to, and to explain the rationale, for the proposed renewal of the Share Purchase Mandate (as defined in this Circular) to be tabled at the Annual General Meeting of the Company (the “**2018 AGM**”) to be held at Nordic Conference Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 on Tuesday, 26 June 2018 at 10 a.m..

The Notice of the Annual General Meeting and the Proxy Form are enclosed with the Annual Report.

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:-

<i>"2017 Mandate"</i>	:	Has the meaning ascribed to it in Section 2.1
<i>"AGM"</i>	:	An annual general meeting of the Company
<i>"Board"</i>	:	The board of Directors of the Company
<i>"CDP"</i>	:	The Central Depository (Pte) Limited
<i>"Circular"</i>	:	This circular to Shareholders dated 11 June 2018
<i>"Companies Act"</i>	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
<i>"Company"</i>	:	Jackspeed Corporation Limited, a company incorporated in Singapore
<i>"Constitution"</i>	:	The constitution of the Company, as may be amended or modified from time to time
<i>"Directors"</i>	:	The directors of the Company as at the date of this Circular
<i>"EGM"</i>	:	An extraordinary general meeting of the Company
<i>"EPS"</i>	:	Earnings per Share
<i>"ESAS"</i>	:	The Jackspeed Share Award Scheme, as modified or altered from time to time, details of which are provided in the circular to Shareholders dated 10 June 2013
<i>"FY2018"</i>	:	Financial year ended 28 February 2018
<i>"Group"</i>	:	The Company and its subsidiaries
<i>"Latest Practicable Date"</i>	:	29 May 2018, being the latest practicable date prior to the printing of this Circular
<i>"Listing Manual"</i>	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
<i>"Market Day"</i>	:	A day on which the SGX-ST is open for trading in securities
<i>"Market Purchase"</i>	:	Has the meaning ascribed to it in Section 2.3.3(a)
<i>"NTA"</i>	:	Net tangible assets
<i>"Off-Market Purchase"</i>	:	Has the meaning ascribed to it in Section 2.3.3(b)
<i>"Regulations"</i>	:	The regulations of the Constitution
<i>"Relevant Period"</i>	:	The period commencing from the date on which the ordinary resolution in relation to the renewal of the Share Purchase Mandate is passed in a general meeting and expiring on the earlier of the date on which the next AGM is held or required to be held, or the date on which the Share Purchase Mandate is revoked or varied by the Company in general meeting
<i>"ROE"</i>	:	Return on equity

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## DEFINITIONS

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<i>“Securities Account”</i>	:	The securities accounts maintained by a Depositor with CDP
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Purchase Mandate”</i>	:	The general mandate to enable the Company to purchase or otherwise acquire its issued Shares
<i>“Shareholders”</i>	:	Registered holders of Shares except that where the registered holder of CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“SIC”</i>	:	Securities Industry Council of Singapore
<i>“Substantial Shareholder”</i>	:	A person who has an interest in one or more voting shares in the Company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company
<i>“Take-over Code”</i>	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents, respectively
<i>“%”</i>	:	Percentage or per centum

The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

The terms **“subsidiary”** and **“treasury shares”** shall have the meanings ascribed to them respectively in the Companies Act.

The term **“subsidiary holdings”** shall have the meaning ascribed to it in the Listing Manual.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing one gender shall, where applicable, include the other genders. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference in this Circular to any statute or enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Listing Manual, the Take-over Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual, the Take-over Code or any statutory modification thereof, as the case may be, unless otherwise provided.

All timings referred to in this Circular are made by reference to Singapore time.

References to **“Section”** are to the sections of this Circular, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### JACKSPEED CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199300300W)

**Directors:**

Chin Yew Choong David (Independent Non-Executive Chairman)  
Yap Kian Peng (Executive Deputy Chairman and Chief Executive Officer)  
Toh Tiong San (Independent Director)  
Chua Sze Chyi (Executive Director and Group Financial Controller)

**Registered Office:**

221 Henderson Road  
#06-15  
Henderson Building  
Singapore 159557

11 June 2018

To: The Shareholders of  
JACKSPEED CORPORATION LIMITED

Dear Sir / Madam

**THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE****1. INTRODUCTION**

- 1.1 The Directors are convening an AGM to be held on 26 June 2018 to seek Shareholders' approval for the proposed renewal of the Share Purchase Mandate.
- 1.2 We refer to (a) the notice of the AGM dated 11 June 2018 (the "**Notice of AGM**") convening the AGM to be held on 26 June 2018 and (b) Ordinary Resolution No. 9 under the heading of "*Special Business*" set out in the Notice of AGM.
- 1.3 The purpose of this Circular is to provide Shareholders with information relating to the above-mentioned proposal to be tabled at the 2018 AGM.
- 1.4 The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

**2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE****2.1 The Share Purchase Mandate**

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act, the Constitution and the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

It is a requirement of the Companies Act that before a company purchases or acquires its own shares, its constitution must expressly permit the company to purchase or otherwise acquire the shares issued by it. Regulation 16 of the Constitution empowers the Company to purchase or otherwise acquire any of its issued Shares on such terms as the Company may think fit and in the manner prescribed by the Companies Act. It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders to do so at a general meeting of the shareholders.

At the EGM held on 26 June 2013, Shareholders had approved the Share Purchase Mandate to enable the Company to purchase or otherwise acquire the issued shares on the terms of that mandate. The Share Purchase Mandate was subsequently last renewed at the AGM of the Company held on 27 June 2017 (the "**2017 Mandate**"). The rationale for, the authority and limitations on, and the financial effects of, the Share Purchase Mandate were set out in the



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## LETTER TO SHAREHOLDERS

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Company's circular to Shareholders dated 10 June 2013. As the Share Purchase Mandate will expire on the date of the 2018 AGM, being 26 June 2018, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming AGM.

Approval is being sought from Shareholders at the 2018 AGM for the renewal of the Share Purchase Mandate. If approved, the authority conferred by the renewed Share Purchase Mandate will take effect from the date of the 2018 AGM and continue in force until the date on which the next AGM is held or required by law or by the Constitution of the Company to be held, unless prior thereto, purchases or acquisitions of Shares by the Company pursuant to the renewed Share Purchase Mandate have been carried out to the full extent mandated, or the authority conferred by the renewed Share Purchase Mandate is revoked or varied by Shareholders in a general meeting. The Share Purchase Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

### 2.2 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) in line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising return to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner;
- (b) in managing its business, the Group strives to increase Shareholders' value by improving, *inter alia*, the ROE, and a share purchase is one way by which the ROE may be enhanced;
- (c) share purchases may help mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence;
- (d) insofar as it is permitted by law, the Share Purchase Mandate will permit the Directors to undertake share purchases which will enable the Directors to utilise Shares which are purchased or acquired and held as treasury shares to satisfy the Company's obligation to furnish Shares to participants under the ESAS, thus giving the Company greater flexibility to select the method of providing Shares to its employees which would be most beneficial to the Company and its Shareholders;
- (e) all things being equal, purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will result in a lower number of issued Shares being used for the purpose of computing EPS, if the purchased Shares are subsequently cancelled or during the period such Shares are held as treasury shares. Therefore, share purchases under the Share Purchase Mandate will improve the Company's EPS, which in turn is expected to have a positive impact on the fundamental value of the Shares;
- (f) shares purchased under the Share Purchase Mandate will enable the Directors to utilise Shares which are purchased or acquired and held as treasury shares to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive than if new Shares were issued for this purpose; and
- (g) the Share Purchase Mandate will provide the Company the flexibility to undertake share purchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.



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## LETTER TO SHAREHOLDERS

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The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole.

### 2.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate (if renewed at the 2018 AGM) are summarised below:

#### 2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2018 AGM at which the renewal of the Share Purchase Mandate is approved.

Based on 301,002,279 issued Shares as at the Latest Practicable Date, the purchase by the Company of up to the maximum limit of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition of 30,100,000 Shares (rounded down to the nearest 1,000 Shares).

#### 2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the Share Purchase Mandate is approved up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in general meeting.

The Share Purchase Mandate may be renewed at each AGM or other general meetings of the Company.

#### 2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases (each a “**Market Purchase**”), transacted on the SGX-ST through the SGX-ST’s trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (each an “**Off-Market Purchase**”) effected pursuant to an equal access scheme in accordance with section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

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## LETTER TO SHAREHOLDERS

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Under the Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
  - (aa) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
  - (ab) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and
  - (ac) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Under the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed share buy-back;
- (4) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the share buy-back, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (6) details of any share buy-back made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of the shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (7) whether the shares purchased by the Company will be cancelled or kept as treasury shares.

### 2.3.4 Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

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## LETTER TO SHAREHOLDERS

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in each case, excluding related expenses of the purchase or acquisition (the “**Maximum Price**”).

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of Shares over the last 5 Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant 5 day period; and

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

### 2.4 Status of Purchased Shares

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation), unless such Shares are held by the Company as treasury shares.

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled, which shall include any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of Shares.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

### 2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

#### 2.5.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

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## LETTER TO SHAREHOLDERS

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### 2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### 2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

## 2.6 **Source of Funds**

The Company intends to use internal sources of funds, external borrowings or a combination of internal resources and external borrowings to finance the purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in such a manner and to such an extent that the liquidity and capital adequacy position of the Group would be materially affected.

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## LETTER TO SHAREHOLDERS

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### 2.7 Solvency Test

The Companies Act permits any purchase or acquisition of shares to be made out of a company's capital or profits so long as the company is solvent. For this purpose, a company is "solvent" if at the time of the payment, the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
  - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

### 2.8 Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Group and the Company will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effect on the Group and the Company, based on the audited financial statements of the Group and the Company will depend, *inter alia*, on the factors set out below:

#### 2.8.1 Purchase or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Based on the audited financial statements of the Company for FY2018, the Company had retained earnings of approximately S\$692,000 as at 28 February 2018. Shareholders should note that the Company will not be able to undertake purchases or acquisitions of Shares made entirely out of profit. Accordingly, in respect of the Share Purchase Mandate sought at the 2018 AGM, it is expected that any purchase or acquisition of Shares will be made out of capital.

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## LETTER TO SHAREHOLDERS

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### 2.8.2 Number of Shares Acquired or Purchased

Based on 301,002,279 issued Shares as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the 2018 AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition of 30,100,000 Shares (rounded down to the nearest 1,000 Shares).

### 2.8.3 Maximum Price Paid for Shares Acquired or Purchased

The financial effects of the purchase or acquisition of Shares by the Company set out in this section are on the basis of the purchase or acquisition of 30,100,000 Shares (rounded down to the nearest 1,000 Shares) made entirely out of the capital of the Company.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 30,100,000 Shares at the Maximum Price of S\$0.1998 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 30,100,000 Shares is approximately S\$6,013,980 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 30,100,000 Shares at the Maximum Price of S\$0.2284 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 30,100,000 Shares is approximately S\$6,874,840 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

### 2.8.4 Illustrative Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

**For illustrative purposes only**, based on the assumptions set out above, and based on audited financial statements of the Company and the Group for FY2018, and assuming that (i) share purchases are made to the extent aforesaid; and (ii) such share purchases are funded wholly by internal resources within the Group, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and Group for FY2018 would have been as follows:

## LETTER TO SHAREHOLDERS

### (A) Market Purchases

#### Purchases made entirely out of profit

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	Purchased Shares held as Treasury Shares	Before Share Purchase	After Market Purchase	Purchased Shares held as Treasury Shares
<b>As at 28 February 2018</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Share capital	36,865	36,865	36,865	36,865	36,865	36,865
Reserves	11,635	5,621	11,635	684	(5,330)	684
Treasury shares	–	–	(6,014)	–	–	(6,014)
<b>Total Shareholders' funds <sup>(1)</sup></b>	<b>48,500</b>	<b>42,486</b>	<b>42,486</b>	<b>37,549</b>	<b>31,535</b>	<b>31,535</b>
NTA <sup>(2)</sup>	47,640	41,626	41,626	37,549	31,535	31,535
Current assets	63,516	57,502	57,502	31,079	25,065	25,065
Current liabilities	65,217	65,217	65,217	14,088	14,088	14,088
Total borrowings	53,935	53,935	53,935	191	191	191
Cash and cash equivalents	18,365	12,351	12,351	8,257	2,243	2,243
Net profit attributable to Shareholders	5,574	5,574	5,574	2,089	2,089	2,089
<b>Number of Shares (in '000)</b>						
Issued and paid-up capital	301,252	271,152	271,152	301,252	271,152	271,152
<b>Financial Ratios</b>						
NTA per Share (cent) <sup>(3)</sup>	15.81	15.35	15.35	12.46	11.63	11.63
Gearing ratio (times) <sup>(4)</sup>	1.11	1.27	1.27	0.01	0.01	0.01
Current ratio (times) <sup>(5)</sup>	0.97	0.88	0.88	2.21	1.78	1.78
EPS (cent)	1.85	2.06	2.06	0.69	0.77	0.77



## LETTER TO SHAREHOLDERS

### Purchases made entirely out of capital

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	Purchased Shares held as Treasury Shares	Before Share Purchase	After Market Purchase	Purchased Shares held as Treasury Shares
<b>As at 28 February 2018</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Share capital	36,865	30,851	36,865	36,865	30,851	36,865
Reserves	11,635	11,635	11,635	684	684	684
Treasury shares	–	–	(6,014)	–	–	(6,014)
<b>Total Shareholders' funds <sup>(1)</sup></b>	<b>48,500</b>	<b>42,486</b>	<b>42,486</b>	<b>37,549</b>	<b>31,535</b>	<b>31,535</b>
NTA <sup>(2)</sup>	47,640	41,626	41,626	37,549	31,535	31,535
Current assets	63,516	57,502	57,502	31,079	25,065	25,065
Current liabilities	65,217	65,217	65,217	14,088	14,088	14,088
Total borrowings	53,935	53,935	53,935	191	191	191
Cash and cash equivalents	18,365	12,351	12,351	8,257	2,243	2,243
Net profit attributable to Shareholders	5,574	5,574	5,574	2,089	2,089	2,089
<b>Number of Shares (in '000)</b>						
Issued and paid-up capital	301,252	271,152	271,152	301,252	271,152	271,152
<b>Financial Ratios</b>						
NTA per Share (cent) <sup>(3)</sup>	15.81	15.35	15.35	12.46	11.63	11.63
Gearing ratio (times) <sup>(4)</sup>	1.11	1.27	1.27	0.01	0.01	0.01
Current ratio (times) <sup>(5)</sup>	0.97	0.88	0.88	2.21	1.78	1.78
EPS (cent)	1.85	2.06	2.06	0.69	0.77	0.77

## LETTER TO SHAREHOLDERS

### (B) Off-Market Purchases

#### Purchases made entirely out of profit

	GROUP			COMPANY		
	Before Share Purchase	After Off-Market Purchase	Purchased Shares held as Treasury Shares	Before Share Purchase	After Off-Market Purchase	Purchased Shares held as Treasury Shares
<b>As at 28 February 2018</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Share capital	36,865	36,865	36,865	36,865	36,865	36,865
Reserves	11,635	4,760	11,635	684	(6,191)	684
Treasury shares	–	–	(6,875)	–	–	(6,875)
<b>Total Shareholders' funds <sup>(1)</sup></b>	<b>48,500</b>	<b>41,625</b>	<b>41,625</b>	<b>37,549</b>	<b>30,674</b>	<b>30,674</b>
NTA <sup>(2)</sup>	47,640	40,765	40,765	37,549	30,674	30,674
Current assets	63,516	56,641	56,641	31,079	24,204	24,204
Current liabilities	65,217	65,217	65,217	14,088	14,088	14,088
Total borrowings	53,935	53,935	53,935	191	191	191
Cash and cash equivalents	18,365	11,490	11,490	8,257	1,382	1,382
Net profit attributable to Shareholders	5,574	5,574	5,574	2,089	2,089	2,089
<b>Number of Shares (in '000)</b>						
Issued and paid-up capital	301,252	271,152	271,152	301,252	271,152	271,152
<b>Financial Ratios</b>						
NTA per Share (cent) <sup>(3)</sup>	15.81	15.03	15.03	12.46	11.31	11.31
Gearing ratio (times) <sup>(4)</sup>	1.11	1.30	1.30	0.01	0.01	0.01
Current ratio (times) <sup>(5)</sup>	0.97	0.87	0.87	2.21	1.72	1.72
EPS (cent)	1.85	2.06	2.06	0.69	0.77	0.77

## LETTER TO SHAREHOLDERS

### Purchases made entirely out of capital

	GROUP			COMPANY		
	Before Share Purchase	After Off-Market Purchase	Purchased Shares held as Treasury Shares	Before Share Purchase	After Off-Market Purchase	Purchased Shares held as Treasury Shares
<b>As at 28 February 2018</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Share capital	36,865	29,990	36,865	36,865	29,990	36,865
Reserves	11,635	11,635	11,635	684	684	684
Treasury shares	–	–	(6,875)	–	–	(6,875)
<b>Total Shareholders' funds <sup>(1)</sup></b>	<b>48,500</b>	<b>41,625</b>	<b>41,625</b>	<b>37,549</b>	<b>30,674</b>	<b>30,674</b>
NTA <sup>(2)</sup>	47,640	40,765	40,765	37,549	30,674	30,674
Current assets	63,516	56,641	56,641	31,079	24,204	24,204
Current liabilities	65,217	65,217	65,217	14,088	14,088	14,088
Total borrowings	53,935	53,935	53,935	191	191	191
Cash and cash equivalents	18,365	11,490	11,490	8,257	1,382	1,382
Net profit attributable to Shareholders	5,574	5,574	5,574	2,089	2,089	2,089
<b>Number of Shares (in '000)</b>						
Issued and paid-up capital	301,252	271,152	271,152	301,252	271,152	271,152
<b>Financial Ratios</b>						
NTA per Share (cent) <sup>(3)</sup>	15.81	15.03	15.03	12.46	11.31	11.31
Gearing ratio (times) <sup>(4)</sup>	1.11	1.30	1.30	0.01	0.01	0.01
Current ratio (times) <sup>(5)</sup>	0.97	0.87	0.87	2.21	1.72	1.72
EPS (cent)	1.85	2.06	2.06	0.69	0.77	0.77

#### Notes:

<sup>(1)</sup> Total Shareholders' funds exclude non-controlling interests.

<sup>(2)</sup> NTA refers to net assets less intangible assets and non-controlling interests.

<sup>(3)</sup> NTA per Share is computed based on the NTA (i.e. net assets less intangible assets and non-controlling interests) divided by the number of Shares issued, based on the number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.

<sup>(4)</sup> Gearing ratio equals to total borrowings divided by total Shareholders' funds.

<sup>(5)</sup> Current ratio equals to current assets divided by current liabilities.

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## LETTER TO SHAREHOLDERS

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Shareholders should note that the financial effects, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Purchase Mandate on the NTA per Share and EPS as the resultant effect would depend on the factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. The above analysis is based on historical numbers as at 28 February 2018, and is not necessarily representative of future financial performance.

It should also be noted that purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company, and the purchases or acquisitions of Shares may not be carried out to the full 10% as mandated. Based on the retained earnings of approximately S\$692,000 as at 28 February 2018, as set out above in paragraph 2.8.1, Shareholders should note that the Company will not be able to undertake purchases or acquisitions of Shares made entirely out of profit. Further, the Directors would emphasise that they do not propose to carry out Share purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

### 2.9 Listing Rules

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the price paid per share or the highest and lowest price per share, as applicable, and the total consideration (including stamp duties and clearing charges etc.) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares and subsidiary holdings) after the purchase and the number of treasury shares held and subsidiary holdings after the purchase.

The Listing Manual does not expressly prohibit any purchase or acquisition of its own shares by a listed company during any particular time or times. However, as the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual.

In particular, in line with Rule 1207(19)(c) of the Listing Manual, the Company and its officers should not and will not deal in the Company's securities during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements.

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## LETTER TO SHAREHOLDERS

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The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) be held by the public (as defined under the Listing Manual). The word “*public*” is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons. As at the Latest Practicable Date, approximately 45.49% of the total number of issued Shares are held by the public. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

### 2.10 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. Certain take-over implications arising from any purchase or acquisition by the Company of Shares pursuant to the Share Purchase Mandate are set out below.

#### 2.10.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of Shares under the Share Purchase Mandate, the proportionate interest of a Shareholder and persons acting in concert with him in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

#### 2.10.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following individuals will, *inter alia*, be presumed to be acting in concert:

- (i) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trust;
- (ii) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investments an associate manages on a discretionary basis, but only in respect of the investment account which the associate manages;

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- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

### 2.10.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its issued Shares, the percentage of voting rights of such Directors and persons acting in concert with them would increase to 30% or more, or in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of 6 months.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such a Shareholder need not abstain from voting in respect of the Ordinary Resolution authorising the Share Purchase Mandate.

**Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.**

Mr Yap Kian Peng ("**Mr Yap**"), the Executive Deputy Chairman and Chief Executive Officer of the Company, is involved in a number of business ventures with Mr Cheng Kwee Kiang ("**Mr Cheng**"). Mr Yap participated in the negotiations of Mr Cheng's acquisition of an initial stake in the Company of approximately 23% of the total Shares in December 2010 (the "**Initial Acquisition**") and was recommended by Mr Cheng to join the Board shortly after the Initial Acquisition. Subsequent to the Initial Acquisition, Mr Yap also participated in the negotiations of some of the further acquisitions of Shares by Mr Cheng. In view of the above, Mr Yap and Mr Cheng are deemed under the Take-over Code to be parties acting in concert with each other.

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Based on 301,002,279 Shares in issue as at the Latest Practicable Date, the exercise in full of the Share Purchase Mandate would result in the purchase or acquisition of 30,100,000 Shares (rounded down to the nearest 1,000 Shares), and consequently the aggregate shareholding of Mr Cheng and Mr Yap would increase from approximately 36.95% to approximately 41.06% of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

Accordingly, under the Take-over Code, Mr Yap and his concert party Mr Cheng would, unless exempted, become obliged to make a general offer under the Take-over Code for the Shares not owned by them, if as a result of the exercise of the Share Purchase Mandate, their interest in the voting rights of the Company increases by more than 1% within a 6 month period.

Section 3(a) of Appendix 2 of the Take-over Code provides, *inter alia*, that for a market acquisition under section 76E of the Companies Act or an off-market acquisition on an equal access scheme under section 76C of the Companies Act by a listed company, directors and persons acting in concert with them will be exempted from the requirement to make an offer under Rule 14, subject to the following conditions:

- (a) the circular to shareholders on the resolution to authorise a buy-back to contain advice to the effect that by voting for the buy-back resolution, shareholders are waiving their right to a general offer at the required price from directors and parties acting in concert with them who, as a result of the company buying back its shares, would increase their voting rights to 30% or more, or, if they together hold between 30% and 50% of the company's voting rights, would increase their voting rights by more than 1% in any period of 6 months; and the names of such directors and persons acting in concert with them, their voting rights at the time of the resolution and after the proposed buy-back to be disclosed in the same circular;
- (b) the resolution to authorise a share buy-back to be approved by a majority of those shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share buy-back;
- (c) directors and/or persons acting in concert with them to abstain from voting for and/or recommending shareholders to vote in favour of the resolution to authorise the share buy-back;
- (d) within 7 days after the passing of the resolution to authorise a buy-back, each of the directors to submit to the SIC a duly signed form as prescribed by the SIC;
- (e) directors and/or persons acting in concert with them not to have acquired and not to acquire any shares between the date on which they know that the announcement of the share buy-back proposal is imminent and the earlier of:
  - (i) the date on which the authority of the share buy-back expires; and
  - (ii) the date on which the company announces it has bought back such number of shares as authorised by shareholders at the latest general meeting or it has decided to cease buying back its shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase to 30% or more; and



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- (f) directors and/or persons acting in concert with them, together holding between 30% and 50% of the company's voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the share buy-back proposal is imminent and the earlier of:
  - (i) the date on which the authority of the share buy-back expires; and
  - (ii) the date on which the company announces it has bought back such number of shares as authorised by shareholders at the latest general meeting or it has decided to cease buying back its shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase by more than 1% in the preceding 6 months.

It follows that where the aggregate voting rights held by a director and persons acting in concert with him increase by more than 1% solely as a result of the share buy-back and none of them has acquired any shares during the Relevant Period, then such director and/or persons acting in concert with him would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption had been granted, would continue to enjoy the exemption.

Therefore, subject to the above conditions as stipulated in section 3(a) of Appendix 2 of the Take-over Code, Mr Yap and his concert party Mr Cheng will be exempted under Appendix 2 from the requirement to make a general offer under Rule 14 of the Take-over Code in the event that their aggregate percentage of total voting rights in the Company increases by more than 1% in any 6 month period solely as a result of the Company buying back Shares under the Share Purchase Mandate.

If the Company ceases to buy back Shares under the Share Purchase Mandate and the increase in the aggregate percentage of total voting rights held by Mr Yap and his concert party Mr Cheng at such time is less than 1% in any 6 month period, Mr Yap and his concert party Mr Cheng may acquire further voting rights in the Company. However, any increase in their percentage of voting rights as a result of the Company's share purchases will be taken into account together with any Shares acquired by Mr Yap and his concert party Mr Cheng (by whatever means) in determining whether they have increased their aggregate voting rights in the Company by more than 1% in any 6 month period.

**Shareholders should therefore note that by voting in favour of the resolution to approve the Share Purchase Mandate, they will be waiving their rights to a general offer at the required price by Mr Yap and his concert party, Mr Cheng, in the circumstances set out above.**

Save as disclosed, the Directors confirm that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of share purchases by the Company pursuant to the Share Purchase Mandate.

**Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.**

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### 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date, the shareholding interests of the Directors and the Substantial Shareholders are set out below:

	Before Share Purchases				After Share Purchases
	Direct Interest	Deemed Interest	Total Interest		Total Interest
	(No. of Shares)	(No. of Shares)	(No. of Shares)	% <sup>(1)</sup>	% <sup>(2)</sup>
<b>Directors</b>					
Chin Yew Choong David	–	–	–	–	–
Yap Kian Peng	–	–	–	–	–
Toh Tiong San	–	–	–	–	–
Chua Sze Chyi	–	–	–	–	–
<b>Substantial Shareholders</b>					
Cheng Kwee Kiang	111,230,561	–	111,230,561	36.953	41.059
Chua Keng Woon	50,248,700	–	50,248,700	16.694	18.549

**Notes:**

<sup>(1)</sup> As a percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) comprising 301,002,279 Shares as at the Latest Practicable Date.

<sup>(2)</sup> As a percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) comprising 270,902,279 Shares, assuming that the Company purchases the maximum number of 30,100,000 Shares under the Share Purchase Mandate (rounded down to the nearest 1,000 Shares).

Save as disclosed in this Circular, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect, in the Shares.

### 4. SHARES PURCHASED OR ACQUIRED DURING THE PAST 12 MONTHS

As at the Latest Practicable Date, the Company had bought back by way of market acquisitions, 250,000 Shares from 21 March 2018 to 22 March 2018. The total consideration paid for the purchases were S\$50,062.33. The highest and lowest price paid was S\$0.200 per Share and S\$0.199 per Share respectively.

### 5. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions, or the tax implications of Share purchases by the Company, or to who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

### 6. DIRECTORS' RECOMMENDATION

Save for Mr Yap Kian Peng, who will abstain from making any recommendations to the Shareholders in respect of Ordinary Resolution 9, the remaining Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 9, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate.

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### 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 the Circular in its proper form and context.

### 8. ABSTENTION FROM VOTING

Mr Yap Kian Peng and his concert parties who are Shareholders will abstain from voting at the 2018 AGM in respect of Ordinary Resolution 9 relating to the proposed renewal of the Share Purchase Mandate in view of the take-over consequences set out in this Circular, and will not accept nominations as proxy or otherwise for voting at the 2018 AGM in respect of the said Ordinary Resolution 9.

### 9. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's Share Registrar, M&C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, during normal business hours from the date hereof up to and including the date of the 2018 AGM:

- (a) the Constitution of the Company;
- (b) the Annual Report of the Company for FY2018.

Yours faithfully

For and on behalf of the Board of Directors of  
**JACKSPEED CORPORATION LIMITED**

Yap Kian Peng  
Executive Deputy Chairman and Chief Executive Officer