

ASSET ACQUISITIONS AND DISPOSALS::ENTRY INTO LETTER OF INTENT FOR THE SALE OF THE JACKPSEED BUSINESS AND JACKSPEED BUSINESS ASSETS

Issuer & Securities

Issuer/ Manager

JACKSPEED CORPORATION LIMITED

Securities

JACKSPEED CORPORATION LIMITED - SG1075914679 - J17

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Announcement Details

Announcement Title

Asset Acquisitions and Disposals

Date &Time of Broadcast

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ENTRY INTO LETTER OF INTENT FOR THE SALE OF THE JACKPSEED BUSINESS AND JACKSPEED BUSINESS ASSETS

Announcement Reference

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Submitted By (Co./ Ind. Name)

Chua Sze Chyi

Designation

Executive Director

Effective Date and Time of the event

27/05/2019 17:00:00

Description (Please provide a detailed description of the event in the box below)

Please refer to attachment.

Attachments

[LOI%20on%20Proposed%20Sale%20of%20Jackspeed%20Business%20and%20Assets 27%20May%202018](#)

Total size =113K MB

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

**ENTRY INTO LETTER OF INTENT FOR THE SALE OF
THE JACKPSEED BUSINESS AND JACKSPEED BUSINESS ASSETS**

The board of directors ("**Board**") of the Company (and together with its subsidiaries, the "**Group**") wishes to announce that it has on the date hereof entered into a letter of intent with Yap Kian Peng ("**Mr. Yap**"), the Executive Deputy Chairman and Chief Executive Officer of the Company, for the proposed disposal by the Company of (i) the entirety of its business in the accessories and non-accessories segments ("**Jackspeed Business**") as a going concern and (ii) all assets and liabilities existing on the Company's balance sheet pertaining to the Jackspeed Business (including inter-company balances) and the Company's entire legal and beneficial interests in all of its directly held subsidiaries ("**Jackspeed Business Assets**") free from all encumbrances and together with all rights, benefits and entitlements attached to the Jackspeed Business Assets ("**Proposed Disposal**") to a special purpose vehicle to be incorporated and controlled by Mr. Yap ("**Purchaser**"), for a consideration of S\$48,000,000 ("**Consideration**").

Completion of the Proposed Disposal is conditional on, amongst others, execution of a definitive sale and purchase agreement, the approval of shareholders of the Company being obtained at an extraordinary general meeting of the Company ("**EGM**") for the Proposed Disposal and the Purchaser having obtained the requisite financing from a financial institution in respect of the Proposed Disposal, and is targeted to take place five business days after satisfaction or waiver of the last of the conditions set out in the definitive sale and purchase agreement. The term sheet is generally not binding, and is intended to provide the basis for preparation of transaction documentation.

In connection with the Proposed Disposal, the Company has also granted an exclusivity period of 60 business days commencing on 28 May 2019 (being the date immediately after the date of acceptance of the LOI) to Mr. Yap.

The Proposed Disposal constitutes an interested person transaction pursuant to Chapter 9 of the listing manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**"). Pursuant to Rule 906 of the Listing Manual, the Proposed Disposal is subject to the approval of shareholders of the Company ("**Shareholders**") as the Consideration exceeds 5% of the latest audited consolidated net tangible assets of the Group for the financial year ended 28 February 2018. Accordingly, the Company will convene an EGM in due course to seek Shareholders' approval for the Proposed Disposal as an interested person transaction. The Company will also be appointing an independent financial adviser ("**IFA**") to advise the members of the Company's audit committee ("**Audit Committee**") so as to assist the Audit Committee members in forming their view as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. The Audit Committee's views on the Proposed Disposal will be set out in the circular to be despatched to the Shareholders in due course.

Shareholders are advised to exercise caution in trading their shares in the Company as there is no certainty or assurance that definitive agreements will be entered into or that the Proposed Disposal will be consummated. The Company will make the necessary announcements as and when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

By Order of the Board

Chua Sze Chyi
Executive Director and Group Financial Controller
27 May 2019