

## REPL::ANNUAL GENERAL MEETING::VOLUNTARY

### Issuer & Securities

#### Issuer/ Manager

JACKSPEED CORPORATION LIMITED

#### Security

JACKSPEED CORPORATION LIMITED - SG1075914679 - J17

### Announcement Details

#### Announcement Title

Annual General Meeting

#### Date & Time of Broadcast

28-Jun-2019 18:13:02

#### Status

Replacement

#### Announcement Reference

SG190611MEET7B1W

#### Submitted By (Co./ Ind. Name)

Chew Kok Liang

#### Designation

Company Secretary

#### Financial Year End

28/02/2019

### Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attachments - Notice of Annual General Meeting and Circular to Shareholders dated 12 June 2019
Additional Text	Please refer to the attachment - Results of Annual General Meeting duly held on 28 June 2019

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## Event Dates

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### Meeting Date and Time

28/06/2019 10:00:00

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### Response Deadline Date

26/06/2019 10:00:00

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## Event Venue(s)

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### Place

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

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## Attachments

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[Jackspeed%20Corporation%20Limited%20-%20Notice%20of%20AGM%20FY2019.pdf](#)

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[Jackspeed%20Corporation%20Limited%20-%20Circular%20to%20Shareholders.pdf](#)

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[Jackspeed%20Corporation%20Limited%20-%20Results%20of%20AGM%20FY2019.pdf](#)

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Total size =478K MB

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## Related Announcements

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### Related Announcements

[11/06/2019 17:44:45](#)

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

**RESULTS OF ANNUAL GENERAL MEETING**

The Board of Directors of Jackspeed Corporation Limited (the "**Company**") is pleased to announce the following:-

1. All the resolutions as set out in the Notice of Annual General Meeting ("**AGM**") dated 12 June 2019 and put to vote by poll by the shareholders of the Company at the AGM held on 28 June 2019.
2. The results of the poll on each resolution, as confirmed by Ardent Business Advisory Pte. Ltd. who acted as Scrutineer for the poll at the AGM and information required under Rule 704(16) of the Listing Manual of the Singapore Exchange Security Trading Limited ("**SGX-ST**") are set out below:-

Resolutions number and details:-	For		Against		Total number of shares represented by votes for and against the relevant resolution	Results
	Number of Shares	As a percentage of total no. of votes for and against the resolution (%)	Number of Shares	As a percentage of total no. of votes for and against the resolution (%)		
<b>Resolution 1</b> Directors' Statement and Audited Financial Statements for the financial year ended 28 February 2019	206,425,069	99.90	214,900	0.10	206,639,969	Carried
<b>Resolution 2</b> Re-election of Mr Chin Yew Choong David as a Director	206,335,069	99.85	304,900	0.15	206,639,969	Carried
<b>Resolution 3</b> Re-election of Ms Chua Sze Chyi as a Director	206,335,069	99.85	304,900	0.15	206,639,969	Carried

Resolutions number and details:-	For		Against		Total number of shares represented by votes for and against the relevant resolution	Results
	Number of Shares	As a percentage of total no. of votes for and against the resolution (%)	Number of Shares	As a percentage of total no. of votes for and against the resolution (%)		
<b><u>Resolution 4</u></b> Approval of Directors' fees of up to S\$265,000 for the year ended 28 February 2019 and up to S\$265,000 for the year ending 29 February 2020, to be paid quarterly in arrears	206,335,069	99.85	304,900	0.15	206,639,969	Carried
<b><u>Resolution 5</u></b> Re-appointment of Messrs RSM Chio Lim LLP as Auditors	206,639,969	100.00	0	0.00	206,639,969	Carried
<b><u>Resolution 6</u></b> Authority to issue shares	204,045,569	98.74	2,594,400	1.26	206,639,969	Carried
<b><u>Resolution 7</u></b> Authority to issue shares under the Jackspeed Share Award Scheme	200,930,069	98.48	3,110,900	1.52	204,040,969	Carried
<b><u>Resolution 8</u></b> Renewal of Share Purchase Mandate	94,654,808	99.21	754,600	0.79	95,409,408	Carried

Resolutions number and details:-	For		Against		Total number of shares represented by votes for and against the relevant resolution	Results
	Number of Shares	As a percentage of total no. of votes for and against the resolution (%)	Number of Shares	As a percentage of total no. of votes for and against the resolution (%)		
<b>Resolution 9</b> Approval of Proposed Share Consolidation	44,852,308	21.71	161,787,661	78.29	206,639,969	Not Carried

3. Details of parties who are required to abstain from voting on any resolution(s):-

Resolution Number and Details	Name	Total Number of Shares
<u>Resolution 7</u> Authority to issue shares under the Jackspeed Share Award Scheme	Wong Kwee Ton	2,599,000
<u>Resolution 8</u> Renewal of Share Purchase Mandate	Yap Kian Peng	Nil
	Cheng Kwee Kiang	111,230,561

4. Mr Chin Yew Choong David who was re-elected as a Director of the Company, remains as Non-Executive Chairman, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. He will be considered as independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

5. Ms Chua Sze Chyi who was re-elected as a Director of the Company, remains as an Executive Director and a member of the Nominating Committee and will be considered non-independent.

By Order of the Board

Chua Sze Chyi / Chew Kok Liang  
Joint Company Secretaries

28 June 2019

**CIRCULAR DATED 12 JUNE 2019**

**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.**

*Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.*

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:-**

- (1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**
- (2) THE PROPOSED CONSOLIDATION OF EVERY TWO (2) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (INCLUDING TREASURY SHARES) AS AT THE BOOKS CLOSURE DATE INTO ONE (1) ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

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 and the Proposed Share Consolidation to be tabled at the 2019 AGM.

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

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## DEFINITIONS

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For the purposes of this Circular, the following definitions apply throughout where the context admits:

<i>“2018 Mandate”</i>	:	Has the meaning ascribed to it in Section 2.1
<i>“2019 AGM”</i>	:	The annual general meeting of the Company to be held at Nordic Conference Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 on 28 June 2019 at 10.00 a.m.
<i>“AGM”</i>	:	An annual general meeting of the Company
<i>“Average Closing Price”</i>	:	Has the meaning ascribed to it in Section 2.3.4
<i>“Board”</i>	:	The Board of Directors of the Company
<i>“Books Closure Date”</i>	:	The time and date, to be determined by the Directors and announced by the Company, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of Shareholders to the Consolidated Shares under the Proposed Share Consolidation
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Circular”</i>	:	This circular to Shareholders dated 12 June 2019
<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>“Consolidated Shares”</i>	:	The consolidated shares in the issued share capital of the Company held by Shareholders pursuant to the completion of the Proposed Share Consolidation
<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>“Effective Trading Date”</i>	:	Has the meaning ascribed to it in Section 3.4.3
<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>“Existing Shares”</i>	:	Shares in issue prior to the Proposed Share Consolidation
<i>“FY2019”</i>	:	Financial year ended 28 February 2019
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	:	31 May 2019, being the latest practicable date prior to the printing of this Circular



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## DEFINITIONS

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<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>“Maximum Price”</i>	:	Has the meaning ascribed to it in Section 2.3.4
<i>“MTP Entry Criteria”</i>	:	Has the meaning ascribed to it in Section 3.2.1
<i>“MTP Exit Criteria”</i>	:	Has the meaning ascribed to it in Section 3.2.1
<i>“MTP Watch-List”</i>	:	Has the meaning ascribed to it in Section 3.2.1
<i>“New Share Certificates”</i>	:	Has the meaning ascribed to it in Section 3.5.1
<i>“Notice of AGM”</i>	:	The notice of AGM dated 12 June 2019 convening the 2019 AGM as set out in the Company’s Annual Report
<i>“NTA”</i>	:	Net tangible assets
<i>“Off-Market Purchase”</i>	:	Has the meaning ascribed to it in Section 2.3.3(b)
<i>“Old Share Certificates”</i>	:	Has the meaning ascribed to it in Section 3.5.1
<i>“Ordinary Resolution”</i>	:	The ordinary resolutions set out in the Notice of AGM
<i>“Proposed Share Consolidation”</i>	:	The proposed consolidation of every two (2) Existing Shares (including treasury shares) into one (1) Consolidated Share as set out in Section 3
<i>“Register of Members”</i>	:	The register of members of the Company
<i>“Regulation”</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 of 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
<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 is 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

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## DEFINITIONS

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“Share Registrar”	:	The share registrar of the Company, being M & C Services Private Limited
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“Substantial Shareholder”	:	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
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“VWAP”	:	Volume weighted average price
“S\$”, and “cents”	:	Singapore dollars and cents, respectively
“%”	:	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 term “**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

12 June 2019

To: The Shareholders of  
JACKSPEED CORPORATION LIMITED

Dear Sir/Madam

#### 1. INTRODUCTION

- 1.1 The Directors are convening an AGM to be held on 28 June 2019 to seek the approval of the Shareholders for (a) the proposed renewal of the Share Purchase Mandate, and (b) the Proposed Share Consolidation.
- 1.2 We refer to (a) the Notice of the AGM, (b) Ordinary Resolution No. 8 in respect of the proposed renewal of the Share Purchase Mandate under the heading of "Special Business" set out in the Notice of AGM, and (c) Ordinary Resolution No. 9 in respect of the Proposed Share Consolidation 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 pertaining to the following proposals to be tabled at the 2019 AGM:
- (a) the proposed renewal of the Share Purchase Mandate; and
  - (b) the Proposed Share Consolidation.
- 1.4 The SGX-ST only approves the listing and quotation of the Consolidated Shares arising from the Proposed Share Consolidation. The SGX-ST assumes no responsibility for the accuracy of any statements, or opinions made or reports contained in this Circular. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its subsidiaries.

#### 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.

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## LETTER TO SHAREHOLDERS

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At the extraordinary general meeting of the Company 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 26 June 2018 (“**2018 Mandate**”). The rationale for, the authority and limitations on, and the financial effects of, the Share Purchase Mandate were set out in the Company’s circular to Shareholders dated 10 June 2013. As the Share Purchase Mandate will expire on the date of the 2019 AGM, being 28 June 2019, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming AGM.

Approval is being sought from Shareholders at the 2019 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 2019 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 shares 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 2019 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 2019 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 of 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 for the purchase or acquisition of shares, 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 of shares, 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 FY2019, the Company had retained earnings of approximately S\$169,000 as at 28 February 2019. 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 2019 AGM, it is expected that any purchase or acquisition of Shares will be made out of capital.

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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 and on or prior to the 2019 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\$0.143 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\$4,304,300 (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\$0.163 per Share (being the price equivalent to 20% 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\$4,906,300 (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 FY2019, and assuming that (a) share purchases are made to the extent aforesaid, and (b) such shares 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 FY2019 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		Before Share Purchase	After Market Purchase	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 28 February 2019</b>						
Share capital	36,865	36,865	36,865	36,865	36,865	36,865
Reserves	16,374	12,070	16,374	158	(4,146)	158
Treasury shares	(50)	(50)	(4,354)	(50)	(50)	(4,354)
Total Shareholders' funds <sup>(1)</sup>	53,189	48,885	48,885	36,973	32,669	32,669
NTA <sup>(2)</sup>	52,748	48,444	48,444	36,973	32,669	32,669
Current assets	72,458	68,154	68,154	27,055	22,751	22,751
Current liabilities	100,403	100,403	100,403	9,856	9,856	9,856
Total borrowings	90,525	90,525	90,525	1,307	1,307	1,307
Cash and cash equivalents	24,316	20,012	20,012	9,908	5,604	5,604
Net profit attributable to Shareholders	5,776	5,776	5,776	986	986	986
<b>Number of Shares (in '000)</b>						
Issued and paid-up capital	301,002	270,902	270,902	301,002	270,902	270,902
<b>Financial Ratios</b>						
NTA per Share (cent) <sup>(3)</sup>	17.52	17.88	17.88	12.28	12.06	12.06
Gearing ratio (times) <sup>(4)</sup>	1.70	1.85	1.85	0.04	0.04	0.04
Current ratio (times) <sup>(5)</sup>	0.72	0.68	0.68	2.75	2.31	2.31
EPS (cent)	1.92	2.13	2.13	0.33	0.36	0.36

## 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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 28 February 2019</b>						
Share capital	36,865	32,561	36,865	36,865	32,561	36,865
Reserves	16,374	16,374	16,374	158	158	158
Treasury shares	(50)	(50)	(4,354)	(50)	(50)	(4,354)
Total Shareholders' funds <sup>(1)</sup>	53,189	48,885	48,885	36,973	32,669	32,669
NTA <sup>(2)</sup>	52,748	48,444	48,444	36,973	32,669	32,669
Current assets	72,458	68,154	68,154	27,055	22,751	22,751
Current liabilities	100,403	100,403	100,403	9,856	9,856	9,856
Total borrowings	90,525	90,525	90,525	1,307	1,307	1,307
Cash and cash equivalents	24,316	20,012	20,012	9,908	5,604	5,604
Net profit attributable to Shareholders	5,776	5,776	5,776	986	986	986
<b>Number of Shares (in '000)</b>						
Issued and paid-up capital	301,002	270,902	270,902	301,002	270,902	270,902
<b>Financial Ratios</b>						
NTA per Share (cent) <sup>(3)</sup>	17.52	17.88	17.88	12.28	12.06	12.06
Gearing ratio (times) <sup>(4)</sup>	1.70	1.85	1.85	0.04	0.04	0.04
Current ratio (times) <sup>(5)</sup>	0.72	0.68	0.68	2.75	2.31	2.31
EPS (cent)	1.92	2.13	2.13	0.33	0.36	0.36

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### (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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 28 February 2019</b>						
Share capital	36,865	36,865	36,865	36,865	36,865	36,865
Reserves	16,374	11,468	16,374	158	(4,748)	158
Treasury shares	(50)	(50)	(4,956)	(50)	(50)	(4,956)
Total Shareholders' funds <sup>(1)</sup>	53,189	48,283	48,283	36,973	32,067	32,067
NTA <sup>(2)</sup>	52,748	47,842	47,842	36,973	32,067	32,067
Current assets	72,458	67,552	67,552	27,055	22,149	22,149
Current liabilities	100,403	100,403	100,403	9,856	9,856	9,856
Total borrowings	90,525	90,525	90,525	1,307	1,307	1,307
Cash and cash equivalents	24,316	19,410	19,410	9,908	5,002	5,002
Net profit attributable to Shareholders	5,776	5,776	5,776	986	986	986
<b>Number of Shares (in '000)</b>						
Issued and paid-up capital	301,002	270,902	270,902	301,002	270,902	270,902
<b>Financial Ratios</b>						
NTA per Share (cent) <sup>(3)</sup>	17.52	17.66	17.66	12.28	11.84	11.84
Gearing ratio (times) <sup>(4)</sup>	1.70	1.87	1.87	0.04	0.04	0.04
Current ratio (times) <sup>(5)</sup>	0.72	0.67	0.67	2.75	2.25	2.25
EPS (cent)	1.92	2.13	2.13	0.33	0.36	0.36

## 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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 28 February 2019</b>						
Share capital	36,865	31,959	36,865	36,865	31,959	36,865
Reserves	16,374	16,374	16,374	158	158	158
Treasury shares	(50)	(50)	(4,956)	(50)	(50)	(4,956)
Total Shareholders' funds <sup>(1)</sup>	53,189	48,283	48,283	36,973	32,067	32,067
NTA <sup>(2)</sup>	52,748	47,842	47,842	36,973	32,067	32,067
Current assets	72,458	67,552	67,552	27,055	22,149	22,149
Current liabilities	100,403	100,403	100,403	9,856	9,856	9,856
Total borrowings	90,525	90,525	90,525	1,307	1,307	1,307
Cash and cash equivalents	24,316	19,410	19,410	9,908	5,002	5,002
Net profit attributable to Shareholders	5,776	5,776	5,776	986	986	986
<b>Number of Shares (in '000)</b>						
Issued and paid-up capital	301,002	270,902	270,902	301,002	270,902	270,902
<b>Financial Ratios</b>						
NTA per Share (cent) <sup>(3)</sup>	17.52	17.66	17.66	12.28	11.84	11.84
Gearing ratio (times) <sup>(4)</sup>	1.70	1.87	1.87	0.04	0.04	0.04
Current ratio (times) <sup>(5)</sup>	0.72	0.67	0.67	2.75	2.25	2.25
EPS (cent)	1.92	2.13	2.13	0.33	0.36	0.36

#### Notes:

- (1) Total Shareholders' funds exclude non-controlling interests.
- (2) NTA refers to net assets less intangible assets and non-controlling interests.
- (3) 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.
- (4) Gearing ratio equals to total borrowings divided by total Shareholders' funds.
- (5) Current ratio equals to current assets divided by current liabilities.

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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 2019, 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\$169,000 as at 28 February 2019, as set out above in Section 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 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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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 ("**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 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

- (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:

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- (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 company 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 shares 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.**

### 3. THE PROPOSED SHARE CONSOLIDATION

#### 3.1 Introduction

- 3.1.1 The Company announced on 22 April 2019 that the Company is proposing to undertake a share consolidation exercise to consolidate every two (2) Existing Shares (including treasury shares) at the Books Closure Date into one (1) Consolidated Share, fractional entitlements to be disregarded.

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## LETTER TO SHAREHOLDERS

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- 3.1.2 Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the 2019 AGM, the Register of Members and the transfer books of the Company will be closed on the Books Closure Date to determine the entitlements of Shareholders to the Consolidated Shares. With effect from 9.00 a.m. on the Market Day immediately following the Books Closure Date, every two (2) Existing Shares registered in the name of each Shareholder (including treasury shares) will be consolidated to constitute one (1) Consolidated Share.
- 3.1.3 **Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional Consolidated Shares arising from the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the best interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating all or any of them and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractional Consolidated Shares which are disregarded or any of the proceeds arising from any aggregation and sale of such fractions. Notwithstanding the above, Shareholders should note that the Proposed Share Consolidation is subject to such approvals and conditions as described in Section 3.4 below.**
- 3.1.4 Shareholders whose shareholdings, as at the Books Closure Date, are less than two (2) Existing Shares should note that the Proposed Share Consolidation may result in such Shareholders being no longer Shareholders upon completion of the Proposed Share Consolidation. As such, Shareholders should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. **Such Shareholders may, subject to such advice on actions that they should take and their own investment policies and risk / return requirements, consider the possibility of purchasing additional Shares so as to increase the number of existing Shares held to multiples of two (2) existing Shares prior to the Books Closure Date so as to remain as Shareholders upon the completion of the Proposed Share Consolidation.**
- 3.1.5 As at the Latest Practicable Date, the Company has an issued share capital of S\$36,865,088 divided into 301,252,279 Existing Shares (including treasury shares). Following the completion of the Proposed Share Consolidation, the Company will have an issued capital of S\$36,865,088 divided into approximately 150,626,139 Consolidated Shares, after disregarding fractional interests in the Consolidated Shares arising from the Proposed Share Consolidation and assuming that there will be no new Shares issued by the Company up to the Books Closure Date.

The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company (save for any reduction arising from the disregarding of fractional entitlement). The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group.

Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded on the Mainboard of the SGX-ST in board lots of 100 Consolidated Shares.

**Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any material changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and the disregard of the fractional entitlement.**

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## LETTER TO SHAREHOLDERS

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### 3.2 Rationale for the Proposed Share Consolidation

The Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

#### 3.2.1 Compliance with the Minimum Trading Price Requirement

Rule 1311 of the Listing Manual states that an issuer will be placed on the SGX-ST watch-list if it records a VWAP of less than S\$0.20 and an average daily market capitalisation of less than S\$40 million over the last 6 months prior to the date of review by SGX-ST (the “**MTP Entry Criteria**”). The SGX-ST conducts half-yearly reviews on the first market day of June and December each year to assess whether issuers meet the MTP Entry Criteria, and issuers which are not able to record a six-month VWAP of S\$0.20 and which have an average daily market capitalisation of less than S\$40 million for the 6 months prior to the date of review by SGX-ST, will be placed on the watch-list (the “**MTP Watch-List**”). Issuers which are unable to take steps to record (i) a VWAP of at least S\$0.20 and (ii) an average daily market capitalisation of S\$40 million or more over the last 6 months (collectively, the “**MTP Exit Criteria**”) and exit the MTP Watch-List will be delisted after a 36-month cure period. The Company was placed on the MTP Watch-List on 5 June 2017 and has until 4 June 2020 to meet the MTP Exit Criteria and exit the MTP Watch-List.

The Directors believe that the Proposed Share Consolidation would facilitate the Company’s ability to satisfy and comply with the requirements under the MTP Exit Criteria as follows:

- (a) The Company’s average daily market capitalisation over the last 6 months preceding the Latest Practicable Date has been approximately S\$44,296,331. As at the Latest Practicable Date, the Company’s market capitalisation was S\$39,464,049, and the closing market price of the Shares which were traded on the SGX-ST was S\$0.131. Upon completion of the Proposed Share Consolidation, the theoretical share price of each Consolidated Share will be S\$0.262.
- (b) The six-month VWAP of each Share for trades done on the SGX-ST from 1 December 2018 to the Latest Practicable Date was S\$0.134. Upon completion of the Proposed Share Consolidation, the theoretical six-month VWAP of each Consolidated Share will be S\$0.268.

In light of the above, the Company proposes to undertake the Proposed Share Consolidation to enable the Company to meet the MTP Exit Criteria and exit from the MTP Watch-List. Pursuant to Practice Note 13.2 of the Listing Manual, review for removal from the MTP Watch-List takes place on a half-yearly basis on the review dates (i.e. first market day of June and December of each year). An issuer placed on the MTP Watch-List is not required to apply for removal, and will be notified of its removal from the MTP Watch-List, upon receipt of which, the issuer shall make the relevant announcement via SGXNET.

#### 3.2.2 Reduction of Volatility of the Share Price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded share prices may translate to higher transaction costs, relative to the trading prices, for each trading of one board lot of Shares. In addition, low traded share prices are generally more prone to speculation and market manipulation, which may result in excessive share price volatility. The Board therefore believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its share price and reduce fluctuations in the Company’s market capitalisation, and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

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## LETTER TO SHAREHOLDERS

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### 3.2.3 Increase in the Market Interest and Attractiveness of the Company and its Shares

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

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

### 3.3 **Financial Effects of the Proposed Share Consolidation**

#### 3.3.1 Assumptions

For the purposes of this Section 3.3, the following assumptions apply:

- (a) the *pro forma* financial effects of the Proposed Share Consolidation on the share capital, NTA per Share, EPS and gearing of the Company as presented below are purely for illustrative purposes only and are not projections of the actual future financial performance or financial position of the Company after the completion of the Proposed Share Consolidation. The *pro forma* financial effect have been computed based on the audited consolidated financial results of the Company for FY2019;
- (b) the number of Shares for the financial effects relating to the NTA per Share and the share capital of the Company are based on 301,252,279 Shares as at 28 February 2019 (before the completion of the Proposed Share Consolidation and including treasury shares);
- (c) for the purpose of computing the EPS of the Company after the Proposed Share Consolidation, it is assumed that the Proposed Share Consolidation was completed on 1 March 2018; and
- (d) for the purpose of calculating the NTA per Share and the gearing after the Proposed Share Consolidation, it is assumed that the Proposed Share Consolidation was completed on 28 February 2019.

(i) *Share Capital*

<u>As at 28 February 2019</u>	<u>Before the Proposed Share Consolidation</u>	<u>After the Proposed Share Consolidation</u>
Issued Share Capital (S\$'000)	36,865	36,865
Number of Shares (including treasury shares)	301,252,279	150,626,139

## LETTER TO SHAREHOLDERS

(ii) *NTA per Share for the Group*

<b>As at 28 February 2019</b>	<b>Before the Proposed Share Consolidation</b>	<b>After the Proposed Share Consolidation</b>
NTA (S\$'000)	52,748	52,748
Number of Shares (including treasury shares)	301,252,279	150,626,139
NTA per Share (cents)	17.51	35.02

(iii) *EPS for the Group*

<b>For FY2019</b>	<b>Before the Proposed Share Consolidation</b>	<b>After the Proposed Share Consolidation</b>
Earnings attributable to Shareholders (S\$'000)	5,776	5,776
Weighted average number of Shares for basic EPS (including treasury shares)	301,252,279	150,626,139
Weighted average number of Shares for diluted EPS (including treasury shares)	301,252,279	150,626,139
EPS – basic (S\$ cents)	1.92	3.83
EPS – diluted (S\$ cents)	1.92	3.83

(iv) *Gearing*

The Proposed Share Consolidation will not have an impact on the gearing of the Company.

### 3.4 Conditions for the Proposed Share Consolidation

3.4.1 The implementation of the Proposed Share Consolidation is subject to, *inter alia*, the following:

- (a) the approval of Shareholders for the Proposed Share Consolidation by way of an ordinary resolution at the 2019 AGM; and
- (b) the in-principle approval of the SGX-ST for the listing and quotation of the Consolidated Shares on the Mainboard of the SGX-ST.

The SGX-ST had on 24 May 2019 granted its approval in principle for the listing and quotation of the Consolidated Shares on the SGX-ST subject to (i) Shareholders' approval for the Proposed Share Consolidation being obtained at the 2019 AGM, and (ii) compliance with the listing requirements of the SGX-ST.

3.4.2 The in-principle approval of the SGX-ST for the listing and quotation of the Consolidated Shares is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its subsidiaries.

3.4.3 An announcement will be made by the Company to notify Shareholders of the Books Closure Date, the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of 100 Consolidated Shares (the "**Effective Trading Date**").

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## LETTER TO SHAREHOLDERS

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### 3.5 Updating of Register of Members and Depository Register

If Shareholders at the 2019 AGM approve the Proposed Share Consolidation, the Shareholders' entitlements of the Consolidated Shares will be determined on the Books Closure Date, based on their shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Books Closure Date.

#### 3.5.1 Deposit of Share Certificates with CDP

Shareholders who hold physical share certificates for the Existing Shares in their own names ("**Old Share Certificates**") and who wish to deposit the same with CDP and have their Consolidated Shares (after the Proposed Share Consolidation) credited to their Securities Accounts must deposit their Old Share Certificates with CDP, together with duly executed instruments of transfer in favour of CDP, no later than 12 Market Days prior to the Books Closure Date.

After the Books Closure Date, CDP will only accept the deposit of new share certificates for Consolidated Shares ("**New Share Certificates**"). Shareholders who wish to deposit their share certificates with CDP after the Books Closure Date must first deliver their Old Share Certificates to the Share Registrar at 112 Robinson Road #05-01, Singapore 068902 for cancellation and issuance of New Share Certificates in replacement thereof as described below.

#### 3.5.2 Issue of New Share Certificates

Depositors and Shareholders who have deposited their Old Share Certificates with CDP at least 12 Market Days prior to the Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Registrar at 112 Robinson Road #05-01, Singapore 068902, as soon as possible after they have been notified of the Books Closure Date for cancellation and exchange for New Share Certificates, and preferably not later than five (5) Market Days after the Books Closure Date, for cancellation and exchange for New Share Certificates. No acknowledgement of receipt will be issued by the Share Registrar for the receipt of any Old Share Certificates tendered. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

**Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have already been tendered to the Share Registrar for cancellation.**

Shareholders should notify the Share Registrar if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from that reflected in the Register of Members.

Shareholders are to deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out in this Section 3.5.2 only after the announcement of the Books Closure Date by the Company.



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## LETTER TO SHAREHOLDERS

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### 3.5.3 Share Certificates Not Valid for Settlement of Trades on the SGX-ST

Shareholders are reminded that their physical share certificates are not valid for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system. After the date on which the Proposed Share Consolidation becomes effective, their Old Share Certificates will continue to be accepted by the Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period. The New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

## 3.6 Trading Arrangement for the Consolidated Shares and Odd Lots

### 3.6.1 Trading Arrangements for the Consolidated Shares

Subject to Shareholders' approval for the Proposed Share Consolidation having been obtained at the 2019 AGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Consolidated Shares will be in board lots of 100 Consolidated Shares. Accordingly, every two (2) Existing Shares (including treasury shares) as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

### 3.6.2 Trading Arrangements for Odd Lots of Consolidated Shares

The Shares are currently traded in board lots of 100 Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid.

Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the SGX-ST's unit share market which, following the Proposed Share Consolidation, would allow trading in odd lots with a minimum size of one (1) Consolidated Share. As odd lots of Consolidated Shares can be traded on the unit share market of the SGX-ST, no separate arrangement will be made for the trading of such odd lots. Shareholders who continue to hold odd lots of less than one hundred (100) Consolidated Shares may find difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Consolidated Shares.

All fractional Consolidated Shares arising from the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the best interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating all or any of them and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractional Consolidated Shares which are disregarded or any of the proceeds arising from any aggregation and sale of such fractions.

## LETTER TO SHAREHOLDERS

### 4. 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 Shares Purchases				After Shares 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 as at the Latest Practicable Date comprising 301,002,279 Shares (excluding treasury shares).

<sup>(2)</sup> As a percentage of the total number of issued Shares (excluding any treasury shares) 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).

With respect to the Proposed Share Consolidation, save as disclosed in this Circular and save for their respective shareholding interests and/or directorships in the Company (as the case may be), the Directors and the substantial Shareholders of the Company do not have any interest, whether direct or indirect, in the Proposed Share Consolidation.

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

The Company has not undertaken any purchase or acquisition of Shares pursuant to the Share Purchase Mandate approved by Shareholders at the AGM of the Company held on 26 June 2018 up to the Latest Practicable Date.

### 6. 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.

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## LETTER TO SHAREHOLDERS

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### 7. DIRECTORS' RECOMMENDATION

#### 7.1 The Proposed Renewal of the Share Purchase Mandate

Save for Mr Yap, who will abstain from making any recommendations to the Shareholders in respect of Ordinary Resolution 8, having considered, *inter alia*, the rationale and benefit of the proposed renewal of the Share Purchase Mandate, 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 (save for Mr Yap) recommend that Shareholders vote in favour of Ordinary Resolution 8, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate.

#### 7.2 The Proposed Share Consolidation

Having considered, *inter alia*, the rationale and benefit of the Proposed Share Consolidation, the Directors are of the opinion that the Proposed Share Consolidation as set out in **Section 3** of this Circular are 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 Share Consolidation.

### 8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2019 AGM and wish to appoint a proxy to attend and vote at the 2019 AGM on their behalf, should complete, sign and return the proxy form attached to the Annual Report of the Company for FY2019 in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 221 Henderson Road #06-15 Henderson Building Singapore 159557 not later than 48 hours before the time fixed for the 2019 AGM. The completion and return of a proxy form by a Shareholder will not prevent him from attending and voting in person at the 2019 AGM if he so wishes. A Depositor shall not be regarded as a member of the Company entitled to attend the 2019 AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP, as at 72 hours before the 2019 AGM.

### 9. 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 and the Proposed Share Consolidation, 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.

### 10. ABSENTION FROM VOTING

Mr Yap and his concert parties, who are Shareholders, will abstain from voting at the 2019 AGM in respect of the Ordinary Resolution 8 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 2019 AGM in respect of the said Ordinary Resolution 8.

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## LETTER TO SHAREHOLDERS

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### 11. 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 2019 AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for FY2019.

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



# JACKSPEED CORPORATION LIMITED

Company Registration No. 199300300W  
(Incorporated in the Republic of Singapore)

## 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 Friday, 28 June 2019 at 10.00 a.m. for the following purposes:-

### AS ORDINARY BUSINESSSES

- To receive and adopt the Directors' Statements and the Audited Financial Statements of the Company and the Group for the financial year ended 28 February 2019 together with the Auditors' Report thereon. **(Resolution 1)**
- To re-elect the following Directors of the Company who are retiring pursuant to Regulation 107 of the Constitution of the Company:-
  - Mr Chin Yew Choong David **(Resolution 2)**
  - Ms Chua Sze Chyi [See Explanatory Note (i)] **(Resolution 3)**
- To approve the payment of Directors' fees of up to S\$265,000 for the year ended 28 February 2019 and up to S\$265,000 for the year ending 29 February 2020, to be paid quarterly in arrears (2018: S\$265,000). **(Resolution 4)**
- 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 5)**
- To transact any other ordinary business which may be properly 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:-

- 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:-

- issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- 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
- (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:-

- 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);
- (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:-
  - new shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - 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
  - any subsequent bonus issue, consolidation or subdivision of shares;
- in exercising the Share Issue Mandate conferred by this Resolution, the exercise by the Directors of 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
- 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. [See Explanatory Note (ii)] **(Resolution 6)**

- 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 issue 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. [See Explanatory Note (iii)] **(Resolution 7)**

- Renewal of Share Purchase Mandate**

That:-

- 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:-
  - 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
  - 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").

- purchases or acquisitions of Shares as the case may be, 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:-
  - the date on which the next Annual General Meeting of the Company is held or required by law to be held;
  - the date on which purchases or acquisitions of Shares are carried out to the full extent mandated; or
  - the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by shareholders in general meeting.
- 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:-

- in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
- 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.

- the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may in their absolute discretion consider expedient or necessary to give effect to the transactions contemplated by this Resolution. [See Explanatory Note (iv)] **(Resolution 8)**

- The Proposed Share Consolidation**

That:-

- the proposed consolidation of every two (2) existing ordinary shares (including treasury shares) as at the books closure date determined by the Directors (the "Books Closure Date") into one (1) consolidated share (each a "Consolidated Share") in the manner set out in the Circular (as defined below) (the "Proposed Share Consolidation") be and is hereby approved;
- any fractions of Consolidated Shares arising from the Proposed Share Consolidation shall be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the best interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating all or any of them and selling the same and retaining the net proceeds for the benefit of the Company;
- the Directors be and each of them be hereby authorised to fix the Books Closure Date and the Effective Trading Date (as defined in the Circular) in their absolute discretion as they deem fit; and
- the Directors or each of them be and are hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they/he in their absolute discretion consider necessary and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they/he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to this Resolution and the Proposed Share Consolidation and/or the matters contemplated herein. [See Explanatory Note (v)] **(Resolution 9)**

By Order of the Board

Chua Sze Chyi / Chew Kok Liang  
Joint Company Secretaries

12 June 2019  
Singapore

### Explanatory Notes:-

- Mr Chin Yew Choong David will, upon re-election as Director of the Company, remain as Non-Executive Chairman, Chairman of the Remuneration Committee, and a member of the Audit Committee and Nominating Committee. He will be considered as independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to Table A of the Corporate Governance Report on page 32 to page 36 in the Annual Report for the detailed information required pursuant to 720(6) of the Listing Manual of the SGX-ST.

Ms Chua Sze Chyi will, upon re-election as Director of the Company, remain as Executive Director and a member of the Nominating Committee and will be considered non-independent. Please refer to Table A of the Corporate Governance Report on page 32 to page 36 in the Annual Report for the detailed information required pursuant to 720(6) of the Listing Manual of the SGX-ST.

- The Ordinary Resolution 6, in item 6 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.

- 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 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.

- The Ordinary Resolution 8, in item 8 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. Please refer to the Circular to Shareholders dated 12 June 2019 accompanying the Notice of Annual General Meeting (the "Circular") for more information.

- The Ordinary Resolution 9, in item 9 above, if passed, will authorise and empower the Directors to complete and do all acts and things and to sign, execute, complete and deliver such documents, deeds and instruments as they may consider necessary or expedient to give effect to the Proposed Share Consolidation. Please refer to the Circular for more information on the Proposed Share Consolidation.

### Notes:-

- 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.
  - 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).
- A proxy need not be a member of the Company.
- 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 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
- 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
- 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.