

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

UPDATE ON EXISTING LOAN OF S\$10,000,000 TO PRESTIGE CARS PTE. LTD.
- PROPOSED CAPITALISATION OF THE LOAN

1. INTRODUCTION

- 1.1** The Board of Directors (the “**Board**”) of Jackspeed Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 24 July 2015, 15 June 2017 and 10 July 2018 in relation to the grant of a loan of S\$10,000,000 to Prestige Cars Pte. Ltd. (the “**Borrower**”) pursuant to the facility agreement dated 24 July 2015 entered into by and among the Company, the Borrower, Prestige Cars Group Pte. Ltd. (“**PCG**”) and the sole shareholder of the Borrower and PCG (the “**Personal Guarantor**” and together with the Company, the Borrower, PCG collectively, the “**Parties**”) as amended and restated pursuant to a supplemental agreement dated 15 June 2017 entered into by the Parties (the “**Restated Facility Agreement**”).
- 1.2** The Company wishes to announce that the Company has on 29 November 2018 entered into a capitalisation agreement with the Borrower, PCG and the Personal Guarantor (the “**Capitalisation Agreement**”), pursuant to which Parties have agreed, among others, that the loan furnished by the Company to the Borrower under the Restated Facility Agreement shall be capitalised into shares in PCG.

2. PRINCIPAL TERMS OF THE CAPITALISATION AGREEMENT

2.1 The Capitalisation of the Loan

- 2.1.1** Pursuant to the Restated Facility Agreement, the Company had agreed and disbursed a loan of S\$10,000,000 (the “**Loan**”) to the Borrower. As at the date hereof, the Borrower owes the Company the sum of S\$9,000,000, being the remaining principal amount of the Loan which has been disbursed by the Company (the “**Disbursed Loan**”), plus interests.
- 2.1.2** Pursuant to the Capitalisation Agreement, the Company shall be entitled at any time, to convert all (and not part) of the Disbursed Loan and interests accrued into such number of shares (the “**Conversion Shares**”) in PCG (the “**Loan Capitalisation**”).

2.2 Conditions Precedent to the Loan Capitalisation

- 2.2.1** The completion of the Loan Capitalisation is subject to the fulfillment and satisfaction of, among others, the following conditions precedent:

- (a) the Company being satisfied with the results of the due diligence investigations in relation to the Prestige Group and each Prestige Group Company, and its respective businesses and assets including legal, financial and tax position.

In this regard, the “**Prestige Group**” shall refer to the Borrower, PCG and their respective subsidiaries, related corporations, associated companies and affiliates collectively, and “**Prestige Group Company**” shall refer to a company within the Prestige Group;

- (b) the Loan Capitalisation, and the allotment and issuance of the Conversion Shares being approved by the shareholder(s) and director(s) of PCG;

- (c) the Company being satisfied that there has been no material adverse effect on, among others, the business, turnover, profitability, financial or trading position of any Prestige Group Company or events, acts or omissions which has or is likely to lead to such material adverse effect; and
- (d) where the terms of any contract binding PCG (including any facility agreements) contains any restrictions or prohibition on the change in control of the shareholdings and/or the boards of directors of PCG, written confirmation in a form and on terms (if any) satisfactory to the Company by the counterparties thereto, of the giving of such consent in relation to any such change arising from the Loan Capitalisation.

(collectively, the “**Conditions Precedent**”).

2.2.2 The Company may, at any time on or before completion of the Loan Capitalisation, in whole or in part and conditionally or unconditionally, waive any of the Conditions Precedent by written notice to PCG.

2.3 Ranking of Conversion Shares

The Conversion Shares shall, when allotted and issued on completion of the Loan Capitalisation (i) be duly authorised and free from all encumbrances whatsoever, (ii) be validly issued and credited as fully paid up, and (iii) in all respects rank *pari passu* with the then existing shares in PCG.

2.4 Security

In connection with the Capitalisation Agreement, the Borrower, PCG and the Personal Guarantor have also agreed to provide among others, securities over certain properties in favour of the Company.

2.5 Interests

Pursuant to the Capitalisation Agreement, the Parties have agreed that the following revisions to the interests shall apply:-

Applicable period	Applicable Interest Rate
For the period from the date of disbursement of the Loan until the date immediately preceding the date of the Capitalisation Agreement	• Interests on the Loan shall accrue at a rate of 15% per annum (compounded monthly and calculated on the basis of actual days elapsed and a 360 day year)
For the period from and on the date of the Capitalisation Agreement up till date of payment or completion of Loan Capitalisation (as the case may be)	• A rate of interest of 1% per annum, calculated on a compounded monthly basis, shall accrue on (i) the Disbursed Loan, and (ii) all interest accrued under the Restated Facility Agreement in accordance with the rates specified above up till the date immediately preceding the date of the Capitalisation Agreement • Interests accrued in accordance with the above are payable on a quarterly basis

3. FINANCIAL EFFECTS

The Company's entry into the Capitalisation Agreement and the transactions contemplated thereunder are not expected to have any material financial effects on the net tangible assets per share and the earnings per share of the Group.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company, none of the directors of the Company (the "**Directors**") or, as far as the Company is aware, substantial Shareholders, has any interest, direct or indirect, in the Loan Capitalisation and / or the Capitalisation Agreement.

5. DIRECTORS' RESPONSIBILITY STATEMENT

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

6. TRADING CAUTION

Shareholders are advised to exercise caution in trading their shares. The Loan Capitalisation is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Loan Capitalisation will be completed or that no changes will be made to the terms of the Capitalisation Agreement. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

7. DOCUMENTS FOR INSPECTION

A copy of the Capitalisation Agreement is available for inspection during normal business hours at the registered office of the Company at 221 Henderson Road #06-15 Singapore 159557, for a period of three months from the date of this announcement.

By Order of the Board

Yap Kian Peng
Executive Deputy Chairman and Chief Executive Officer
29 November 2018