

# JACKSPEED CORPORATION LIMITED

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

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## PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF THE TARGET GROUP

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### 1. INTRODUCTION

- 1.1 The Board of Directors ("**Board**" or "**Directors**") of Jackspeed Corporation Limited ("**Company**") wishes to announce that the Company and the legal and beneficial owners of FSN Asia Private Limited ("**FSNA**") (collectively, the "**Vendors**", and each, a "**Vendor**", and whose names are set out in Schedule 1 to this Announcement) have entered into a share purchase agreement dated 1 July 2021 ("**Agreement**") to acquire 100% of the issued ordinary shares in the capital of a company to be incorporated in Singapore pursuant to a restructuring exercise ("**Target**") ("**Sale Shares**") for an aggregate consideration as shall be determined by an independent valuation to be conducted by Cushman & Wakefield VHS Pte. Ltd. ("**Consideration**") ("**Proposed Acquisition**"). The Company has received the signed Agreement executed by all the Vendors on 3 July 2021. The Consideration will be satisfied in full by the allotment and issue of ordinary shares in the capital of the Company ("**Shares**"), as described further below.
- 1.2 The Proposed Acquisition, if completed, would constitute a "Reverse Takeover" pursuant to Chapter 10 of the Mainboard Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Mainboard Rules**") and is subject to, among other things, the approval of the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting ("**EGM**") to be convened and the issue of a listing and quotation notice by the SGX-ST.

### 2. INFORMATION ON THE TARGET, THE TARGET GROUP AND THE VENDORS

*Information on the Target, the Target Group (as defined below) and the Vendors in this Section 2 and Section 7 has been extracted from information provided by the Vendors, the Target and the Target Group (as defined below) and reproduced herein. Neither the Company nor any of the Directors has independently verified the accuracy and correctness of such information, and the responsibility of the Company and the Directors is limited to ensuring that such information has been properly extracted and reproduced herein in the context that the information is being disclosed in this Announcement.*

#### 2.1 Information on the Target

The Target is a private company to be incorporated in Singapore by the Vendors.

#### 2.2 Target Subsidiaries

Under the Agreement, the Vendors have undertaken to procure a restructuring ("**Restructuring**") pursuant to which the Target shall acquire such subsidiaries of FSN Asia Private Limited ("**FSNA**") so as to form the Group as set out in Schedule 2 (collectively, "**Target Subsidiaries**" and, together with the Target, the "**Target Group**").

- 2.3 The Target Subsidiaries are engaged primarily in the business of global digital marketing. Upon Completion, the Target will become a wholly-owned subsidiary of the Company, and the core business of the Company will be that of the Target Group.

2.4 Information on the Vendors

The Vendors are the legal and beneficial owners of FSNA and upon completion of the Restructuring, the Target Subsidiaries will be directly or indirectly wholly-owned by the Target, which in turn will be wholly-owned by the Vendors.

None of the Vendors is related to any of the Directors, chief executive officer, controlling shareholders or their respective associates. As at the date of this Announcement, none of the Vendor holds any Shares.

**3. KEY TERMS OF THE PROPOSED ACQUISITION**

3.1 Consideration

- 3.1.1 Pursuant to Rule 1015(3)(a) of the Mainboard Rules, Cushman & Wakefield VHS Pte. Ltd. will be appointed as a competent and independent valuer to conduct and furnish an independent valuation report on the value of the Target Group ("**Independent Valuation Report**"). Further information relating to the independent professional valuer to be appointed, together with the Independent Valuation Report, will be included in the circular on the Proposed Acquisition ("**Circular**") to be despatched to Shareholders in due course. The Consideration for the sale and purchase of the Sale Shares shall be equal to such amount as shall be determined by an independent valuation to be conducted by Cushman & Wakefield VHS Pte. Ltd. on the 100% equity interest of the Target Group.
- 3.1.2 The Consideration shall be fully satisfied on completion of the sale and purchase of the Sale Shares ("**Completion**") by way of the allotment and issue of new Shares, credited as fully paid-up and each ranking pari passu with the existing Shares in all respects, free from all claims and encumbrances of any kind whatsoever and together with all rights, title, interests and benefits attached, accrued or accruing thereto as at Completion ("**Consideration Shares**"), at the issue price of S\$0.032 ("**Issue Price**") for each Consideration Share.
- 3.1.3 In the event any debt or liability needs to be satisfied by the issuance of Consideration Shares between the date of the Agreement and Completion or if the Company has any debt or liability at Completion, the Issue Price shall be adjusted accordingly such that the valuation of all Shares prior to Completion after netting any debt and liabilities of the Company shall be approximately S\$10 million.
- 3.1.4 Upon Completion, and simultaneously with the allotment and issue of the Consideration Shares, the Company shall:
- (a) effect payment of the Consideration by the allotment and issuance of the Consideration Shares to Central Depository (Pte) Limited ("**CDP**") and delivery to CDP of the relevant share certificates registered in the name of CDP in respect of the Consideration and provide instructions to CDP to credit the sub-account of the Vendors with such number of

Consideration Shares as determined in accordance with paragraph 3.1.2 above; and

- (b) deliver to the Vendors the letters of resignation from such directors of the Company as may be requested by the Vendors, with a written acknowledgement from each such director that they have no claim against the Company in respect of breach of contract, compensation for loss of office, redundancy or unfair dismissal or any other ground whatsoever.

### 3.2 Long Stop Date

The “Long Stop Date” means the date ending on the expiry of the final extension of time given by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the Company to meet the requirements of a new listing under Rule 1018(2) of the Mainboard Rules pursuant to paragraph 3.3.3(a) below. Each of the Vendors agree and acknowledge that the Long Stop Date may be extended to such other date as may be agreed between the Lead Vendor and the Company.

### 3.3 Conditions Precedent

Completion of the Acquisition shall be conditional upon the following conditions precedent being fulfilled on or before the Long Stop Date:

#### 3.3.1 *Satisfactory due diligence.*

- (a) Completion of a business, legal, technical, financial and tax due diligence exercise by the Company on the Target Group, which shall include, without limitation:

- (i) the review of the business and operations of each entity of Target Group including management meetings and site visits;
- (ii) the review of each entity of Target Group’s historical financial figures; and
- (iii) the review of any and all documents relating to legal and taxation matters of each entity of Target Group,

the results of such exercise being satisfactory to the Company in its sole and absolute discretion;

- (b) completion of a business, legal, technical, financial and tax due diligence exercise by the Vendors on the Company, which shall include, without limitation:

- (i) the review of the business and operations of the Company;
- (ii) the review of the Company’s historical financial figures; and
- (iii) the review of any and all documents relating to legal and taxation matters of the Company,

the results of such exercise being satisfactory to Futurestream Networks Co. Ltd (“**Lead Vendor**”) in its sole and absolute discretion.

3.3.2 *Restructuring*. Completion of the Restructuring Exercise by the Vendors.

3.3.3 *Consents and Approvals*.

- (a) SGX-ST having granted an extension of time for the Company to meet the requirements of a new listing under Rule 1018(2) of the Listing Manual of the SGX-ST to such time no earlier than 30 June 2022;
- (b) the approval of the SGX-ST for the Proposed Acquisition being obtained;
- (c) the SGX-ST having granted listing and quotation approval for the listing and quotation of the Consideration Shares and the Placement Shares and the Company fulfilling all conditions for such approval;
- (d) the receipt and non-withdrawal of the grant by the Securities Industry Council to the Vendors of a waiver of any obligation by the Vendors to make a general offer under Rule 14 of the Code for the Company Shares not owned or controlled by the Vendors as a result of the allotment and issuance of the Consideration Shares to the Vendors;
- (e) the Company having received undertakings given by Shareholders holding a majority of the entire issued Shares:
  - (i) not to dispose of their shareholdings in the the Company until the earlier of:
    - 1. the Conditions Precedent not being fulfilled on or before the Long Stop Date; or
    - 2. termination of this Agreement; or
    - 3. conclusion of the extraordinary general meeting in respect of the Proposed Acquisition; and
  - (ii) to vote at the extraordinary general meeting to be convened in respect of the Proposed Acquisition, in favor of, *inter alia*, the matters referred to in paragraph 3.3.3(f) below;
- (f) the Company having received the requisite approvals from its Shareholders, at an extraordinary general meeting to be convened by the Company, for amongst others, the:
  - (i) Proposed Acquisition;
  - (ii) Whitewash Resolution;
  - (iii) allotment and issuance of the Consideration Shares;
  - (iv) allotment and issuance of such Shares equivalent to S\$500,000 based on the Issue Price, to Success Consulting Pte. Ltd.;
  - (v) removal of existing directors of the Company and appointment of new directors as may be directed by the Lead Vendor;

- (vi) change of name of the Company, subject to the approval of any applicable Governmental Body, Provided Always that if there is any offending word or words in the new name that is holding up the approval, then such offending word or words shall be removed from the change of name of the Company;
  - (vii) transfer of the listing status of the Company from Mainboard to Catalist; and
  - (viii) all transactions contemplated under the Agreement.
- (g) all necessary approvals and consents as may be necessary from and registration with any third party, governmental or regulatory body or relevant competent authority having jurisdiction over the transactions contemplated herein or to the entry into and completion of this Agreement by the Parties, being in full force and effect and not having been withdrawn, suspended, amended or revoked as at the Completion Date, and if such approvals or consents or registrations are granted or obtained subject to any conditions, such conditions being reasonably acceptable to the Company and the Lead Vendor (as the case may be);
  - (h) the execution, performance and completion of the Agreement by the Parties hereto not being materially prohibited, restricted, curtailed, hindered, impaired or otherwise materially adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority; and
  - (i) there being no investigations by any Governmental Body and competent authorities or adverse proceedings pending or threatened against any Target Group entity or the parties to the Agreement, that might reasonably be expected to materially impair or prevent the completion of the Proposed Acquisition and the matters contemplated herein (including the resultant change in shareholders, directors and management of the Target) or cause a material adverse change in the business operations, affairs, conditions (financial or otherwise) or prospects of the Parties or the Target Group from the date of the Agreement up to and including Completion Date.

3.3.4 *No breach of warranty.* save as disclosed in the Agreement, all warranties provided by the Company under the Agreement being complied with, true, accurate and correct in all material respects as at the Completion Date.

#### 3.4 Proposed Whitewash Resolution

The Vendors will hold more than 30% of the total issued Shares of the enlarged issued share capital of the Company at Completion upon the issuance and allotment of the Consideration Shares to the Vendors.

Accordingly, the Vendors and their respective concert parties will, under Rule 14 of the Singapore Code on Take-Overs and Mergers (the “**Code**”), be required to make a general offer for all the remaining issued Shares not already owned, controlled or agreed to be acquired by the Vendors and their concert parties arising from the allotment and issue of the Consideration Shares.

It is a condition precedent to Completion that a majority of the independent Shareholders approve at the EGM the Whitewash Resolution for the waiver of the rights of the Shareholders to receive a mandatory offer from any or all of the Vendors and their respective concert parties under Rule 14 of the Code.

The Company will appoint an IFA to the independent Directors of the Company for the purposes of the Whitewash Resolution. The advice of the IFA will be set out in the Circular to be despatched to Shareholders in due course.

#### **4. RATIONALE FOR THE PROPOSED ACQUISITION**

- 4.1 Following the completion of the disposal of its business and business assets on 3 January 2020, the Company is deemed to be a cash company as defined by Rule 1018 of the Mainboard Rules. Under Rule 1018(2) of the Mainboard Rules, the SGX-ST will proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within twelve (12) months from the time it becomes a cash company. The Company may apply to the SGX-ST for a maximum six (6) month extension if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the six (6) month extension period.
- 4.2 The Company had, on 21 April 2021 obtained extension of time to 21 July 2021 to meet the requirements of a new listing under Rule 1018(2) of the Mainboard Rules. The Board has considered the terms of the Proposed Acquisition and, based on the brief information provided by the Vendors at this stage, believes that the Target Group's business would provide the Company with the necessary recurrent business activities going forward and to meet the requirements for a new listing.

#### **5. REVERSE TAKEOVER**

As the Consideration will only be determined at a later stage, the Company is currently unable to determine the relative figures under Rule 1006 of Mainboard Rules. It is envisioned that the relative figures under Rules 1006(b), 1006(c) and/or 1006(d) of the Mainboard Rules will exceed 100.0%, and the Consideration Shares to be issued to the Vendors pursuant to the Proposed Acquisition will result in a change in control of the Company on Completion, and would constitute a "Reverse Takeover" transaction pursuant to Rule 1015 of the Mainboard Rules. Accordingly, the Proposed Acquisition shall be conditional upon, amongst others, the approval of the SGX-ST and the Shareholders. The relative figures will be announced as soon as the Consideration is determined.

#### **6. COMPLIANCE PLACEMENT**

If the public float requirement of 10% of the enlarged issued share capital of the Company at Completion upon the issuance and allotment of the Consideration Shares to the Vendors is not met, a compliance placement will be required.

## 7. FINANCIAL INFORMATION ON THE TARGET GROUP

The financial information of the Target Group is subject to audit and any financial effects of any restructuring, if any, of the Target Group. Based on the unaudited financial statements of the Target Group for its last three financial years ended 31 December 2018 ("FY2018"), 31 December 2019 ("FY2019") and 31 December 2020 ("FY2020"), a summary of the unaudited financial information of the Target Group for FY2018, FY2019 and FY2020 is set out below.

### Income Statement

| (US\$'000)<br>(S\$'000) <sup>(1)</sup> | Unaudited<br>FY2018    | Unaudited<br>FY2019    | Unaudited<br>FY2020    |
|----------------------------------------|------------------------|------------------------|------------------------|
| Revenue                                | 13,100 / <b>17,685</b> | 23,538 / <b>31,777</b> | 45,569 / <b>61,518</b> |
| Profit before tax                      | 117 / <b>158</b>       | 27 / <b>36</b>         | 1,983 / <b>2,678</b>   |
| Income tax expenses /<br>(credit)      | 115 / <b>155</b>       | (429) / <b>(580)</b>   | 710 / <b>959</b>       |
| Net profit after tax                   | 2 / <b>3</b>           | 456 / <b>616</b>       | 1,273 / <b>1,719</b>   |

<sup>(1)</sup> The reporting currency for the Target Group is US\$. For ease of reference, the bolded figures in italics represent the equivalent amount in Singapore Dollars based on an exchange rate of US\$1:S\$1.35 as at 2 July 2021.

The unaudited proforma combined balance sheet of the Target Group for the latest three (3) years is not yet available, and the Company will provide this information by way of a further announcement or the Circular to be issued in due course.

## 8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

As the valuation has not been carried out and the number of Consideration Shares have not been determined, the financial effects of the Proposed Acquisition cannot be prepared at this time. The Company will provide the financial effects of the Proposed Acquisition by way of a further announcement or the Circular to be issued in due course.

## 9. CIRCULAR

The Company will in due course despatch the Circular to Shareholders, containing further information on, among other things, the Proposed Acquisition and notice of EGM to approve, among other things, the Proposed Acquisition and the allotment and issue of the Consideration Shares.

## 10. FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

The Company has appointed Novus Corporate Finance Pte. Ltd. as the financial adviser ("**FA**") in relation to the Proposed Acquisition and will be appointing an IFA to advise the Independent Directors in relation to the Whitewash Resolution in due course. The Company will make further announcements in relation to the appointment of the IFA as and when appropriate. The advice of the IFA will be set out in the Circular to be despatched to the Shareholders in due course.

## **11. TRANSFER FROM MAINBOARD TO CATALIST**

It is intended that upon Completion, the Company will undertake a transfer of the listing of the Company from the Mainboard of the SGX-ST to the Catalist Board of the SGX-ST and Novus Corporate Finance Pte. Ltd. shall be appointed as the full sponsor of the Company.

## **12. SERVICE CONTRACTS**

It is envisaged that the Company will, upon Completion, enter into service agreements with the key management team as identified by the Vendors, on terms to be mutually agreed by such persons and the Company in writing. As at the date of this Announcement, the Company has not entered into any service contract with any Director or any person proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition.

## **13. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this Announcement and their respective shareholdings in the Company, none of the Directors or, as far as the Directors are aware, the controlling Shareholders, or their respective associates has any interest, direct or indirect, in the Proposed Acquisition or the Agreement.

## **14. RESPONSIBILITY STATEMENT**

- 14.1 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 Proposed Acquisition, the Company, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this 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 this Announcement in its proper form and context.
- 14.2 The Vendors accept full responsibility for the accuracy of the information given in this Announcement in respect of information relating to the Vendors, the Target Group and the Target Group Companies 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 in respect of the Vendors, the Target Group and the Target Group Companies, and the Vendors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Vendor has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

**15. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Agreement are available for inspection during normal business hours from 9 a.m. to 5 p.m. at the registered office of the Company at 221 Henderson Road, #06-15, Singapore 15955, for a period of three (3) months from the date of this Announcement.

**16. CAUTION IN TRADING**

Shareholders and potential investors are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions and further due diligence by the Company. There is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this Announcement. Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board of Directors  
**JACKSPEED CORPORATION LIMITED**

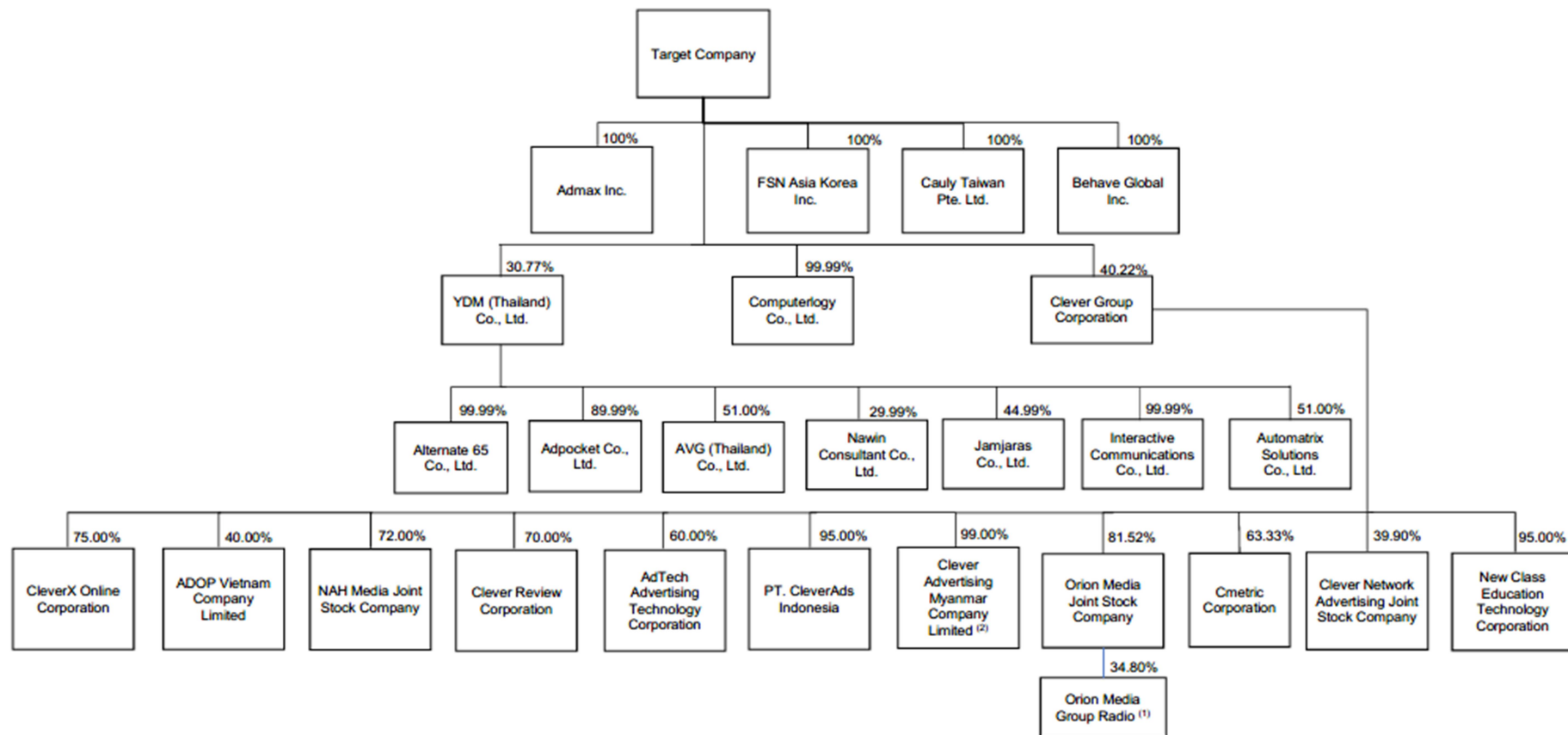
Yap Kian Peng  
Executive Deputy Chairman and Chief Executive Officer  
4 July 2021

**SCHEDULE 1**

|    | <b>THE VENDORS</b>            | <b>NUMBER OF SHARES HELD BY<br/>THE VENDOR / % OWNERSHIP<br/>OF TARGET COMPANY</b> |
|----|-------------------------------|------------------------------------------------------------------------------------|
| 1  | Futurestream Networks Co. Ltd | 15,962,544 / 83.01%                                                                |
| 2  | IDL Holdings Pte. Ltd.        | 20,720 / 0.11%                                                                     |
| 3  | Kenneth James Henman          | 167,493 / 0.87%                                                                    |
| 4  | Jonathan Lee                  | 150,061 / 0.78%                                                                    |
| 5  | Amar Bin Halim                | 18,499 / 0.10%                                                                     |
| 6  | Tanapon Subsomboon            | 293,041 / 1.52%                                                                    |
| 7  | Oranuch Lerdsuwankij          | 20,308 / 0.11%                                                                     |
| 8  | Nutchapon Seelathon           | 4,058 / 0.02%                                                                      |
| 9  | Watcharapon Sarnsanit         | 4,058 / 0.02%                                                                      |
| 10 | Jakkris Kietpermsak           | 81,233 / 0.42%                                                                     |
| 11 | Warut Ngamwong                | 4,058 / 0.02%                                                                      |
| 12 | Aemavat Vachara               | 170,562 / 0.89%                                                                    |
| 13 | Thanat Wiriyaipinit           | 40,616 / 0.21%                                                                     |
| 14 | Kamolsit Mongkolsrisawat      | 81,233 / 0.42%                                                                     |
| 15 | Pandu Wirawan Arief           | 45,128 / 0.23%                                                                     |
| 16 | Nguyen Khanh Trinh            | 425,000 / 2.21%                                                                    |
| 17 | Lee Taejae                    | 38,390 / 0.20%                                                                     |
| 18 | Choi Junyoung                 | 95,976 / 0.50%                                                                     |
| 19 | Lim Junseok                   | 38,390 / 0.20%                                                                     |
| 20 | Na Hyeonsik                   | 19,195 / 0.10%                                                                     |
| 21 | Cho Sung June                 | 38,390 / 0.20%                                                                     |
| 22 | Park Sunghyuk                 | 127,112 / 0.66%                                                                    |
| 23 | Kim Saejung                   | 723,742 / 3.76%                                                                    |
| 24 | Hwang Yunsu                   | 71,899 / 0.37%                                                                     |
| 25 | Kim Youngeun                  | 19,195 / 0.10%                                                                     |
| 26 | Choi Jungsub                  | 38,390 / 0.20%                                                                     |

|    | <b>THE VENDORS</b>    | <b>NUMBER OF SHARES HELD BY<br/>THE VENDOR / % OWNERSHIP<br/>OF TARGET COMPANY</b> |
|----|-----------------------|------------------------------------------------------------------------------------|
| 27 | Cho Chang Hyun        | 153,561 / 0.80%                                                                    |
| 28 | Chang Daekyu          | 211,704 / 1.10%                                                                    |
| 29 | Jung Yuen             | 28,810 / 0.15%                                                                     |
| 30 | Vincent Ha Kwang Yuen | 47,049 / 0.24%                                                                     |
| 31 | Althea Lim            | 43,144 / 0.22%                                                                     |
| 32 | Yazid Faizin          | 45,128 / 0.23%                                                                     |

## SCHEDULE 2



### Notes:

- (1) This entity is dormant and currently in the process of winding up (expected to be completed by June 2021).  
 (2) This entity is dormant but there are currently no plans to liquidate the company. The company is expected to continue business after the Covid-19 pandemic is over.