CIRCULAR DATED 24 OCTOBER 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

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

If you have sold or transferred all your shares in the capital of Jackspeed Corporation Limited (the "**Company**") (the "**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular, together with the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements or opinions made or reports contained in this Circular.

JACKSPEED CORPORATION LIMITED

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

CIRCULAR TO SHAREHOLDERS

in relation to

(1) THE PROPOSED DISPOSAL OF THE ENTIRE BUSINESS AND BUSINESS ASSETS OF THE COMPANY AS AN INTERESTED PERSON TRANSACTION AND A MAJOR TRANSACTION; AND

(2) THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

Independent Financial Adviser
in relation to the Proposed Disposal

CEL Impetus Corporate Finance Pte Ltd

CEL IMPETUS CORPORATE FINANCE PTE. LTD.

(Company Registration Number: 201631484Z)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	13 November 2019 at 9.30 a.m.
Date and time of Extraordinary General Meeting	:	15 November 2019 at 9.30 a.m.
Place of Extraordinary General Meeting	:	Copenhagen Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927

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PROXY FORM

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

"ACRA"	:	Accounting and Corporate Regulatory Authority
"Associate"	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
"Associated Company"	:	a company in which at least 20.0% but not more than 50.0% of its shares are held by the Company
"AUD"	:	Australian dollars, the lawful currency of Australia
"Audit Committee"	:	The audit committee of the Company, being as at the Latest Practicable Date, Mr. Toh Tiong San, Mr. Chin Yew Choong David, and Mr. Yap
"Audited Group FY2019 Results"	:	The latest audited consolidated financial statements of the Group for the financial year ended 28 February 2019
"Authorised Persons"	:	Has the meaning ascribed to it in Paragraph 5.2 of this Circular
"Board" or "Board of Directors"	:	The board of directors of the Company as at the date of this Circular
"Books Closure Date"	:	A date to be determined by the Board and announced by the Company on which the Transfer Books and Register of Members will be closed for the purpose of determining the entitlements of Entitled Shareholders in connection with the Proposed Cash Distribution
"Business"	:	Has the meaning ascribed to it in Paragraph 2.1(a) of this Circular
"CDP"	:	The Central Depository (Pte) Limited
"Change of Name"	:	Has the meaning ascribed to it in Paragraph 1.1(b) of this Circular
"Circular"	:	This circular to Shareholders dated 24 October 2019
"Companies Act"	:	Companies Act (Chapter 50) of Singapore, as amended or modified from time to time

"Company"	:	Jackspeed Corporation Limited
"Conditions"	:	Has the meaning ascribed to it in Paragraph 2.3(b) of this Circular
"Consideration"	:	Has the meaning ascribed to it in Paragraph 1.1 of this Circular
"Constitution"	:	The constitution of the Company as at the date of this Circular
"Contracts"	:	Has the meaning ascribed to it in Paragraph 2.3(b)(v)(A) of this Circular
"controlling shareholder"	:	A person who: (a) holds directly or indirectly 15.0% or more of the voting rights in the Company. The SGX-ST may determine that a person who satisfies this definition is not a controlling shareholder; or (b) in fact exercises control over the Company
"Directors"	:	Directors of the Company as at the date of this Circular
"Due Diligence Period"	:	Has the meaning ascribed to it in Paragraph 1.1(a)(ii) of this Circular
"Effective Date"	:	The date on which the Proposed Capital Reduction becomes effective
"EGM"	:	The extraordinary general meeting of the Company to be held on 15 November 2019 at 9.30 a.m., notice of which is set out on Pages E-1 to E-2 of this Circular
"Entitled Shareholders"	:	Persons registered in the Register of Members and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date
"Entity at Risk"	:	(a) the Company; (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or (c) an Associated Company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the Associated Company
"EPS"	:	Earnings per Share
"Escrow Account"	:	Has the meaning ascribed to it in Paragraph 5.2(a) of this Circular
"EUR"	:	Euros, the single currency of any member state of the European Union that has the Euro as its lawful currency in accordance with the legislation of the European Union relating to European Economic and Monetary Union
"Expected Payment Date"	:	Has the meaning ascribed to it in Paragraph 3.8(c)(i) of this Circular
"FY"	:	The financial year ended 28 February

"Group"	:	The Company and its subsidiaries
"IFA"	:	CEL Impetus Corporate Finance Pte. Ltd., the independent financial adviser to the Recommending Directors in relation to the Proposed Disposal
"IFA Letter"	:	The IFA's letter to the Recommending Directors, as set out in Appendix A to this Circular
"interested person"	:	(a) a director, chief executive officer, or controlling shareholder of the Company; or (b) an Associate of any such director, chief executive officer, or controlling shareholder
"interested person transaction"	:	a transaction between an Entity at Risk and an interested person
"Jackspeed Business Assets"	:	Has the meaning ascribed to it in Paragraph 2.1(b) of this Circular
"Last Trading Day"	:	3 June 2019, being the last market day preceding the date of the SPA
"Latest Practicable Date"	:	11 October 2019, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The listing manual of the SGX-ST, as amended or modified from time to time
"Market Days"	:	A day on which the SGX-ST is open for trading in securities
"Mr. Yap"	:	Mr. Yap Kian Peng
"NAV"	:	Net asset value
"Net Proceeds"	:	Has the meaning ascribed to it in Paragraph 2.7 of this Circular
"Net Proceeds per Share"	:	Has the meaning ascribed to it in Paragraph 2.3(a) of this Circular
"Notice of EGM"	:	The notice of the EGM as set out on Pages E-1 to E-2 of this Circular
"Novation Agreement"	:	The novation agreement dated 24 October 2019 between the Company, Mr. Yap and the Purchaser, pursuant to which the Purchaser shall be substituted in place of Mr. Yap as a party to the SPA
"NTA"	:	Net tangible assets
"OEM"	:	Has the meaning ascribed to it in Paragraph 2.4(b)(i) of this Circular
"Ordinary Resolution"	:	Has the meaning ascribed to it in Paragraph 1.3(a) of this Circular
"Properties"	:	Has the meaning ascribed to it in Paragraph 2.3(a) of this Circular
"Proposed Capital Reduction"	:	The proposed capital reduction exercise to be carried out by the Company pursuant to Sections 78A and 78C of the Companies Act for the purposes of effecting the Proposed Cash Distribution

"Proposed Cash Distribution"	:	The proposed cash distribution by the Company to the Shareholders of approximately S$0.1215 in cash for each Share as at the Books Closure Date pursuant to the Proposed Capital Reduction, fractional entitlements of Shares to be disregarded, amounting to an aggregate cash distribution of approximately S$36,572,000
"Proposed Disposal"	:	Has the meaning ascribed to it in Paragraph 1.1 of this Circular
"Proposed Transactions"	:	The Proposed Disposal, and the Proposed Capital Reduction and Proposed Cash Distribution
"Purchaser"	:	Jackspeed Holdings Pte. Ltd.
"Recommending Directors"	:	The Directors who are considered independent in relation to the Proposed Disposal, being as at the Latest Practicable Date, Mr. Chin Yew Choong David, Mr. Toh Tiong San, and Ms. Chua Sze Chyi
"Register of Members"	:	The register of members of the Company
"RM"	:	Malaysian ringgit, the lawful currency of Malaysia
"Securities Account"	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
"SFA"	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"SGXNET"	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"Share Registrar"	:	The share registrar of the Company
"Shareholders"	:	The registered holders of the Shares in the Register of Members, except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
"Shares"	:	Ordinary shares in the issued and paid-up capital of the Company
"Solvency Statement"	:	Has the meaning ascribed to it in Paragraph 3.3 of this Circular
"SPA"	:	The sale and purchase agreement dated 4 June 2019 entered into between the Company and Mr. Yap in relation to the Proposed Disposal (as novated to the Purchaser pursuant to the Novation Agreement and as amended and supplemented by the Supplemental Letter and the Supplemental Agreement)
"Special Resolution"	:	Has the meaning ascribed to it in Paragraph 1.3(b) of this Circular

"Substantial Shareholder"	:	A person who has an interest in not less than 5.0% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
"Supplemental Agreement"	:	The supplemental agreement dated 24 October 2019 between the Company and the Purchaser pursuant to which the Purchaser agreed to, *inter alia,* extend the time period within which the Company has to undertake the Change of Name, details of which are set out in Paragraph 1.1(b) of this Circular
"Supplemental Letter"	:	The supplemental letter dated 30 August 2019 between the Company and the Purchaser to, *inter alia,* extend the long-stop date and the Due Diligence Period, details of which are set out in Paragraph 1.1(a) of this Circular
"Target Group Companies" or "Target Group Company"	:	Has the meaning ascribed to it in Paragraph 2.1(b) of this Circular
"THB"	:	Thai Baht, the lawful currency of Thailand
"Transaction Expenses"	:	The expenses incurred by the Company in connection with the Proposed Disposal, including but not limited to the fees payable to the Company's professional advisers
"Transfer Books"	:	The share transfer books of the Company
"Unaudited Group FY2019 Results"	:	The unaudited consolidated financial statements of the Group for the FY ended 28 February 2019
"Undertakings"	:	Has the meaning ascribed to it in Paragraph 5.2(c) of this Circular
"USD"	:	United States dollars, the lawful currency of the United States of America
"Valuation Certificates"	:	The valuation certificates issued by the respective Valuers as set out in Appendix B to this Circular
"Valuers"	:	(1) OrangeTee Advisory Pte Ltd, (2) C.I.T. Appraisal Co., Ltd, and (3) Colliers International Consultancy & Valuation (Singapore) Pte Ltd
"VWAP"	:	volume weighted average price
"Watch-List"	:	Has the meaning ascribed to it in Paragraph 2.4(d) of this Circular
"%" or "per cent."	:	Percentage or per centum
"S$"	:	Singapore dollars, the lawful currency of Singapore

The term "**subsidiary**" shall have the meaning ascribed to it in the Companies Act.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Listing Manual, Companies Act, SFA or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall have the meaning ascribed to it under the Listing Manual or any statutory or regulatory modification, unless the context otherwise requires.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "**expect**", "**anticipate**", "**believe**", "**estimate**", "**intend**", "**project**", "**plan**", "**strategy**", "**forecast**" and similar expressions or future or conditional verbs such as "**if**", "**will**", "**would**", "**should**", "**could**", "**may**" and "**might**". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

JACKSPEED CORPORATION LIMITED

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

Board of Directors:

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

Registered Office:

221 Henderson Road
#06-15 Henderson Building
Singapore 159557

24 October 2019

To: The Shareholders of Jackspeed Corporation Limited

Dear Sir/Madam,

(1) THE PROPOSED DISPOSAL OF THE ENTIRE BUSINESS AND BUSINESS ASSETS OF THE COMPANY AS AN INTERESTED PERSON TRANSACTION AND A MAJOR TRANSACTION; AND

(2) THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

1. INTRODUCTION

1.1. The Proposed Disposal

Reference is made to the announcements made by the Company on 4 June 2019 and 30 August 2019 in relation to the proposed sale by the Company of the Business as a going concern and the Jackspeed Business Assets to the Purchaser, being a special purpose vehicle incorporated and wholly-owned by Mr. Yap, for an aggregate consideration of S$48,000,000 ("**Consideration**"), upon the terms and subject to the conditions of the SPA and the Novation Agreement ("**Proposed Disposal**").

The Company and the Purchaser have:

(a) on 30 August 2019, entered into the Supplemental Letter to, *inter alia*:

(i) extend the long-stop date for a further three months from 30 August 2019 to 30 November 2019; and

(ii) extend the period for the Purchaser to complete the due diligence exercise on the Company, the Business and the Jackspeed Business ("**Due Diligence Period**") from six weeks from the date of the SPA to 19 weeks from the date of the SPA; and

(b) on the date of this Circular, entered into the Supplemental Agreement to extend the time within which the Company is required to change its name and remove the word "Jackspeed" from its name ("**Change of Name**") from three months to one year from completion of the Proposed Disposal. In connection with the foregoing and pursuant to the Supplemental Agreement, the Purchaser has also agreed to waive the requirement that the Company must have obtained the approvals from the Board and from the Shareholders at the EGM for the Change of Name as a condition to completion of the Proposed Disposal. Further details on the Change of Name are set out in Paragraph 2.3(d) of this Circular.

The Proposed Disposal constitutes:

(a) an interested person transaction under Chapter 9 of the Listing Manual; and

(b) a major transaction under Chapter 10 of the Listing Manual.

Accordingly, it is subject to the approval of Shareholders.

Upon completion of the Proposed Disposal, the Company will become a cash company and its Shares will remain suspended unless and until it acquires a business that meets SGX-ST's listing requirements. The Company is also required to comply with Rule 1018 of the Listing Manual, further details of which are provided in Paragraph 5 of this Circular.

1.2. The Proposed Capital Reduction and Proposed Cash Distribution

The Company is also proposing the Proposed Capital Reduction pursuant to which the Company will return to Shareholders up to S$0.1215 for each Share held as at the applicable Books Closure Date. The Proposed Capital Reduction is subject to and contingent upon Shareholders voting in favour of the Proposed Disposal and completion of the Proposed Disposal taking place in accordance with the SPA. Accordingly, the Board proposes to seek the approval of Shareholders for the Proposed Capital Reduction and Proposed Cash Distribution at the EGM.

1.3. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Disposal, and the Proposed Capital Reduction and Proposed Cash Distribution, and to seek the approval of Shareholders for the following proposals at the forthcoming EGM:

(a) the Proposed Disposal as an ordinary resolution ("**Ordinary Resolution**"); and

(b) the Proposed Capital Reduction and Proposed Cash Distribution as a special resolution ("**Special Resolution**").

Shareholders should note that the Special Resolution is conditional upon the passing of the Ordinary Resolution. Accordingly, in the event that the Ordinary Resolution is not approved, the Special Resolution will not be passed.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements or opinions made or reports contained in this Circular. If any Shareholder is in any doubt as to the action he should take, he should consult his bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

2. THE PROPOSED DISPOSAL

2.1. Information on the Business and the Jackspeed Business Assets

Under the SPA, the Company will sell, and the Purchaser will acquire, the following:

(a) the entire business and undertaking of the Company as a going concern which involves the sales of leather trim and accessories to car distributors, dealers and manufacturers in the automotive and aviation industries, and sales from trading, financing and rental of motor vehicles and business of commission agents ("**Business**"); and

(b) all the property, assets, rights, undertakings and liabilities of the Company pertaining to the Business and existing on the Company's balance sheet as at completion of the Proposed Disposal ("**Jackspeed Business Assets**"), which include the Company's entire legal and beneficial interest in the following subsidiaries and Associated Companies (together with the Company, "**Target Group Companies**", and each a "**Target Group Company**"):

Name (Country of Incorporation)	Particulars of registered / paid-up capital	Percentage of equity interest attributable to the Company	Principal Business Activity
Ultimate Vehicle Pty Ltd (*Australia*)	AUD100	100%	Distribution and installation of automotive leather seating, sunroofs, canopies and automotive accessories
Jackspeed Australia Pty Ltd (*Australia*)	AUD1	100%	Distribution and installation of automotive accessories
Simply Infinity Limited (*British Virgin Islands*)	USD1	100%	Investment holding
Jackspeed Leather Special Manufacturer (M) Sdn. Bhd. (*Malaysia*)	RM500,000	100%	Production and sale of automotive leather trim
Jackspeed Europe B.V.[1] (*Netherlands*)	EUR18,000	100%	Dormant company
Jackspeed Leather Manufacturer (Haining) Co., Ltd[1] *(People's Republic of China)*	USD601,686.82	100%	Dormant company
Jackson Vehicle Holdings Pte. Ltd. (*Singapore*)	S$2,800,000	100%	Investment holding
Jackspeed Singapore Pte. Ltd. (*Singapore*)	S$5,000,000	100%	Sale of automotive leather trim
Simply Investments Pte. Ltd. (*Singapore*)	S$1	100%	Investment holding
Jackspeed Leather Manufacture (Thailand) Co., Ltd. [1] (*Thailand*)	THB20,000,000	100%	Dormant company
PT JLS Indonesia[1] (*Indonesia*)	USD50,000	99.5%	Dormant company
Index Credit Pte Ltd (*Singapore*)	S$3,000,000	60%	Finance leasing in new and used motor vehicles, car dealer and rental of motor vehicles
Jackspeed Euris Japan Pte. Ltd. (*Singapore*)	S$100	50%	Design, distribution and installation of automotive seat covers
Wenul Assets (Industrial) Pte. Ltd. (*Singapore*)	S$500,000	13.4%	Real estate development

Note:

(1) This is a dormant company.

The Proposed Disposal will result in the Company disposing of its Business and the Jackspeed Business Assets in their entirety.

2.2. Information on the Purchaser

The Purchaser is a special purpose vehicle incorporated in Singapore by Mr. Yap on 18 July 2019 with an issued and paid-up share capital of S$1, comprising one ordinary share. Mr. Yap is the sole shareholder and sole director of the Purchaser.

2.3. Material Terms of the Proposed Disposal

(a) Consideration

The Consideration of S$48,000,000 is payable by the Purchaser to the Company in cash on completion of the Proposed Disposal.

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser, on a willing-buyer willing-seller basis, after taking into account, amongst other things, the net tangible asset value of the Business and the Jackspeed Business Assets based on the Unaudited Group FY2019 Results, and the rationale for the Proposed Disposal as set out in Paragraph 2.4 of this Circular. At the time of signing of the SPA, only the Unaudited Group FY2019 results were available, however, the Unaudited Group FY2019 Results are not materially different from the Audited Group FY2019 Results.

Based on the Valuation Certificates issued by the Valuers as set out in Appendix B to this Circular, the market value of the following freehold properties owned by the Group ("**Properties**"), as well as details of the valuations conducted, are as follows:

Property	Market Value (S$)	Party who commissioned valuation	Name of Valuer	Basis of Valuation	Date of Valuation
221 Henderson Road #06-15 Henderson Building Singapore 159557	S$1,880,000	Company	OrangeTee Advisory Pte Ltd	Direct comparison method	6 June 2019
Amata Nakorn Industrial Estate, Tambol Panthong, Amphur Panthong, Chonburi 20160, Thailand	THB44,400,000	J.V. (Thailand) Co., Ltd.	C.I.T. Appraisal Co., Ltd.	Market approach	11 June 2019
No. 118 Jalan 1 Taman Sri Kluang, 86000 Kluang, Johor Darul Takzim, Malaysia	RM700,000	Company	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	Comparison approach	11 June 2019
No. 21 Jalan 20 Taman Sri Kluang, 86000 Kluang, Johor Darul Takzim, Malaysia	RM3,800,000	Company	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	Cost approach	11 June 2019

Save for valuations on the Properties set out above, the Company has not commissioned a valuation on the Business or the Jackspeed Business Assets as the Board is of the view that the valuations attributable to the other major balance sheet items which comprise the Jackspeed Business Assets, such as plant and equipment, receivables and cash and cash equivalents are unlikely to be adjusted upwards. Moreover, the Company has appointed the IFA to advise on, *inter alia*, whether the terms of the Proposed Disposal are on normal commercial terms. In arriving at their recommendation, the IFA would have reviewed and evaluated relevant factors such as price to earnings ratio, price to NAV ratio, price to NTA ratio, the enterprise value to earnings before interest and tax and the VWAP of the Shares as set out in the IFA Letter. Accordingly, the Board is of the view that no separate valuation is necessary for the Proposed Disposal.

Based on the Audited Group FY2019 Results:

(i) the book value and the net tangible asset value of the Business and the Jackspeed Business Assets were approximately S$53,189,000 and S$52,748,000 respectively;

(ii) the Properties comprised approximately 17.8% and 18.1% of the book value and the net tangible asset value of the Business and the Jackspeed Business Assets respectively (after excluding cash and cash equivalents of S$24,316,000 as at 28 February 2019); and

(iii) the net profits after tax attributable to the Business and the Jackspeed Business Assets is approximately S$5,776,000.

The Consideration, after taking into account the Transaction Expenses, represents approximately S$0.159 on a per Share basis ("**Net Proceeds per Share**") taking into account the total issued Shares of 301,002,279 Shares. The Net Proceeds per Share represents a premium of approximately 16% to the volume weighted average share price of the Company of S$0.137 on 3 June 2019, being the Last Trading Day.

The Consideration represents a deficit of approximately S$5,189,000 over the book value of the Business and the Jackspeed Business Assets as at 28 February 2019. The estimated loss on the Proposed Disposal is approximately S$5,409,000 based on the Consideration, after adjustment for the Transaction Expenses, and the book value of the Business and the Jackspeed Business Assets as at 28 February 2019.

The rationale for the Proposed Disposal is set out at Paragraph 2.4 of this Circular.

(b) Conditions Precedent

Completion of the Proposed Disposal is conditional upon satisfaction or waiver (as the case may be) of, *inter alia*, the following conditions ("**Conditions**"):

(i) the Company and the Purchaser each having obtained all necessary consents, approvals, authorisations, clearances and/or waivers from its board of directors, any other persons and any relevant authorities in Singapore or any other jurisdictions (as applicable), including but not limited to, approvals from the SGX-ST, in respect of the SPA and the transactions contemplated thereunder and such consents, approvals, authorisations, clearances and/or waivers remaining in full force and effect;

(ii) without prejudice to the generality of Paragraph 2.3(b)(i) of this Circular, the Company having notified any banks or financial institutions which any of the Target Group Companies have financing arrangements with, of the Proposed Disposal and such persons having given their written consents to the proposed change in control of the Business and the Jackspeed Business Assets for the purposes of the respective agreements entered into with the Target Group Companies, and such consents not having been cancelled, revoked or withdrawn;

(iii) without prejudice to the generality of Paragraph 2.3(b)(i) of this Circular, the Company having obtained the irrevocable and unconditional waiver in writing from the shareholders of each of the Target Group Companies, other than the Company, of such shareholders' rights of pre-emption in relation to the sale and purchase of the legal and beneficial interests in the shares of that Target Group Company (where required);

(iv) the Company having obtained Shareholders' approval for the Proposed Disposal at the EGM;

(v) the Company having:

(A) notified or obtained the consent of any third party for the transfer or assignment of the contracts to be sold as part of the Jackspeed Business Assets ("**Contracts**") to the Purchaser, where required; and

(B) taken all actions and given effect to, completed, signed or otherwise executed all agreements, deeds, forms, notices and/or other documents (as the case may be) and/or procured the giving of effect to, completion, signing and/or execution (as the case may be) of all agreements, deeds, forms, notices and/or other documents (as the case may be) as required by the Purchaser in relation to the transfer, assignment or novation of the Contracts to the Purchaser;

(vi) the Purchaser having obtained the requisite financing from a financial institution in respect of the Purchaser's acquisition of the Business and the Jackspeed Business Assets pursuant to the Proposed Disposal; and

(vii) the results of the Purchaser's due diligence exercise on the Company, the Business and the Jackspeed Business Assets being satisfactory to the Purchaser in its sole discretion, such due diligence to be completed within 19 weeks from the date of the SPA or a mutually agreed extended period.

If the Conditions are not satisfied or waived on or before 30 November 2019 or such other date as may be agreed in writing between the Company and the Purchaser, the SPA shall lapse.

(c) Completion of the Proposed Disposal

Completion of the Proposed Disposal shall take place on the date falling five business days following notification of the satisfaction or waiver (as the case may be) of the last of the Conditions or at such other date as may be agreed in writing between the Company and the Purchaser.

(d) Change of Name

Upon completion of the Proposed Disposal, the Company shall take steps to procure the Change of Name and shall effect such change within one year from completion of the Proposed Disposal. In addition, subject to the foregoing, upon completion of the Proposed Disposal, the Company shall not, and shall procure that none of its subsidiaries shall, at any time after completion of the Proposed Disposal, use in connection with any trade or business, any corporate name, trade name, logo, domain name or e-mail address which is confusingly similar to the name "Jackspeed" or to any corporate name, trade name, logo, domain name or e-mail address used by any of the Target Group Companies.

2.4. Rationale for the Proposed Disposal

(a) With increasing uncertainties in the global economic outlook, particularly in light of the ongoing trade wars between China and the United States and heightened geopolitical tensions around the world, the Directors believe that the Proposed Disposal presents a good opportunity to unlock value for the Shareholders. Following completion of the Proposed Disposal and subject to the necessary regulatory and corporate approvals, it is currently the Directors' intention to distribute approximately S$36,572,000 of the Net Proceeds to Shareholders by way of the Proposed Capital Reduction and Proposed Cash Distribution, and to set aside the balance Net Proceeds to explore the acquisition of new assets or businesses to satisfy the SGX-ST's requirement for a new listing, subject to the restrictions under Rule 1018 of the Listing Manual. For further details on the Proposed Capital Reduction and Proposed Cash Distribution, please refer to Paragraphs 2.7 and 3 of this Circular. In the event the Company does not acquire new assets or businesses to satisfy SGX-ST's requirement for a new listing within the period stipulated under Rule 1018 of the Listing Manual, all the balance Net Proceeds will also be returned to Shareholders. Accordingly, the Directors believe that the Proposed Disposal is in the interests of the Company and Shareholders as it presents the Company with an opportunity to exit the increasingly challenging business environment and immediately realise its investment in the Business. The Company will make further announcements on the specific uses of the Net Proceeds in greater detail at the appropriate juncture.

(b) Although the Group's profits had improved over the past years, there are uncertainties on its sustainability, due to the following reasons:

(i) the Group's major contract with an original equipment manufacturer ("**OEM**"), which contributed approximately 45% of the Group's gross profit for FY2019, is ending in 2021. While the OEM has awarded the Group a new contract from 2022 to 2029, the new contract is expected to generate less than half of the gross profit under the existing expiring contract. There can be no assurance that the Group will be able to secure contracts from other customers to make up the shortfall;

(ii) a capital expenditure budget of S$9,000,000 has been estimated for upgrading and expanding the Group's worn out production facility in Thailand. It will require the Group to secure more business to cover depreciation and interest costs if loans are taken to sustain and grow profit;

(iii) the contract to supply upholstery leather kits to 17 countries in Europe, as announced on 16 March 2018, has yet to see significant contributions to the Group's revenue. The Group is currently supplying to two out of the 17 countries and is working to cover more countries;

(iv) government policies to control the car population in Singapore and the emphasis to go car-lite by beefing up the connectivity between different modes of public transports will limit the growth of car population in Singapore, thereby affecting future performance of the Group as Singapore is the Group's predominant market for its trading, financing and rental of motor vehicle business; and

(v) the annual cost reduction practice by the Group's OEM customer has added pressure on the Group's profit margin. The increasingly difficult business environment, which the ongoing trade wars between China and the United States has contributed to, will potentially weigh in on such cost reduction requests from the Group's OEM customer.

(c) Prior to Mr. Yap approaching the Company for the Proposed Disposal, the Company had not received any proposal or indication of interest from third parties for the Company or its Business. Subsequent to the announcement of the Proposed Disposal on 4 June 2019, the Company has also not received any competing interest nor bid from third parties. Based on the Directors' assessment, taking into account the factors cited herein, it is not probable that any such competing interest or bid on better terms is likely to arise, and the Proposed Disposal should be put before Shareholders for consideration and voting.

(d) The Company has been placed on the watch-list of the SGX-ST ("**Watch-List**") since 5 June 2017 under the minimum trading price criteria. While steps have been undertaken to comply with the requirements to exit the Watch-List, such as share consolidations, the Board believes it is challenging for the current business of the Group to support a market capitalisation of more than S$40 million (a requirement to exit the Watch-List) on a sustainable basis. As such, the Proposed Disposal is part of the Company's overall longer-term plan to exit the Watch-List and the Board believes the Proposed Disposal will pave the way for the Company to acquire a more sizeable business.

(e) The terms of the Proposed Disposal which provide for the Consideration to be settled with a cash payment of S$48,000,000 and with no business warranties required from the Company is attractive, which the Board believes will enhance the Company's options and bargaining position when identifying viable and sizeable businesses to exit the Watch-List.

(f) In addition, the Board has also considered the premium or discount which the Net Proceeds per Share represents over the price of the Shares traded on the SGX-ST on the following date and over the following periods:

Reference Date / Period	**Reference Price**[2]	**Premium / (Discount)**
Last traded price as at 11 October 2019, being the Latest Practicable Date	S$0.124[3]	28%
Last traded price on 3 June 2019, being the Last Trading Day	S$0.132	20%
VWAP[1] per Share for the one-month period prior to and including the Last Trading Day	S$0.134	18%
VWAP[1] per Share for the three-month period prior to and including the Last Trading Day	S$0.134	18%
VWAP[1] per Share for the six-month period prior to and including the Last Trading Day	S$0.135	18%
VWAP[1] per Share for the 12-month period prior to and including the Last Trading Day	S$0.160	(1)%

Notes:

(1) The figures are based on data extracted from Bloomberg L.P..

(2) Rounded to the nearest three decimal places.

(3) Reference price as at 3 October 2019, being the last market day on which the Shares were traded prior to the Latest Practicable Date.

Based on the reasons above, notwithstanding that there will be a loss on the Proposed Disposal, the Board believes the Consideration reflects a fairly good price for the Business and the Jackspeed Business Assets in view of the prevailing market conditions, including in particular the ongoing trade wars between China and the United States and heightened geopolitical tensions around the world as highlighted in Paragraph 2.4(a) of this Circular, and a good opportunity to unlock value for Shareholders. In addition, while the Proposed Disposal will result in the Company ceasing to have any operating business and becoming a cash company, the Directors are of the view that being a cash company may facilitate the Company's attempt to acquire potential target businesses and assets via a reverse takeover to satisfy the SGX-ST's listing requirements and to comply with the SGX-ST's requirements for a cash company. Accordingly, the Board believes that the Proposed Disposal is in the interests of the Company and Shareholders. The Company is considering its options in relation to other business ventures and will provide more information to Shareholders at the appropriate juncture.

Shareholders should note that the Proposed Disposal is subject to independent Shareholders' approval at the EGM to be convened. In accordance with Rule 919 of the Listing Manual, Mr. Yap and his associates must abstain from voting on the resolutions approving the Proposed Disposal as an interested person transaction, nor accept appointments as proxies unless specific instructions as to voting are given.

2.5. The Proposed Disposal as a Major Transaction

Based on the Audited Group FY2019 Results, the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	NAV of the assets to be disposed of, compared with the Group's NAV	100[(1)]
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits	100[(2)]
(c)	The aggregate value of the Consideration, compared with the Company's market capitalisation	116[(3)]
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue (excluding treasury shares)	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

Notes:

(1) "Net assets" means total assets less total liabilities. Based on the NAV of the Business and Jackspeed Business Assets of S$57,996,000 and the audited NAV of the Group of S$57,996,000 as at 28 February 2019.

(2) "Net profits" means profit or loss before income tax, minority interests and extraordinary items. Based on the net profits attributable to the Business and the Jackspeed Business Assets of S$8,877,000 and the audited net profits of the Group of S$8,877,000 for FY2019.

(3) Based on the Consideration of S$48,000,000 and the market capitalisation of the Company of approximately S$41,237,000 as at the Last Trading Day. The Company's market capitalisation is determined by multiplying the number of Shares in issue (excluding treasury shares) of 301,002,279 Shares by the weighted average price of S$0.137 per Share on the Last Trading Day.

Rule 1014 of the Listing Manual states, *inter alia,* that where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%, the transaction is classified as a "major transaction" and must be made conditional upon approval by the Shareholders in general meeting. As the relative figures for the Proposed Disposal as computed on the bases set out in Rules 1006(a), (b) and (c) of the Listing Manual exceed 20%, the Proposed Disposal constitutes a "major transaction" for the purpose of Chapter 10 of the Listing Manual, which requires Shareholders' approval.

2.6. The Proposed Disposal as an Interested Person Transaction

The Purchaser, being wholly-owned by Mr. Yap, the Executive Deputy Chairman and Chief Executive Officer of the Company, is an associate of Mr. Yap and accordingly, is an interested person as defined under Chapter 9 of the Listing Manual.

The Company is an Entity At Risk as defined under Chapter 9 of the Listing Manual. Accordingly, the Proposed Disposal constitutes an interested person transaction for the purpose of Chapter 9 of the Listing Manual.

The value at risk of the Proposed Disposal is S$48,000,000, being the Consideration, which represents approximately 83% of the Group's latest audited NTA of approximately S$57,555,000 as at 28 February 2019. As the value exceeds 5% of the Group's latest audited NTA, the Proposed Disposal is subject to the approval of the Shareholders at the EGM pursuant to Rule 906 of the Listing Manual.

Save for the Proposed Disposal, there are no other interested person transactions with the Purchaser, Mr. Yap, or any of their associates for the current financial year of the Company to the Latest Practicable Date.

2.7. Use of Proceeds

The net proceeds from the Proposed Disposal, after deducting the Transaction Expenses, is estimated to be approximately S$47,780,000 ("**Net Proceeds**").

As mentioned in Paragraph 2.4 of this Circular, following the completion of the Proposed Disposal and subject to the necessary regulatory and corporate approvals, it is currently the Directors' intention to distribute approximately S$36,572,000 of the Net Proceeds to Shareholders by way of the Proposed Capital Reduction and Proposed Cash Distribution, and to set aside the balance Net Proceeds to explore the acquisition of new assets or businesses to satisfy the listing requirements of the SGX-ST, subject to the restrictions under Rule 1018 of the Listing Manual. In the event the Company does not acquire new assets or businesses to satisfy SGX-ST's requirement for a new listing within the period stipulated under Rule 1018 of the Listing Manual, all the balance Net Proceeds will also be returned to Shareholders. Please refer to Paragraphs 3 and 5 of this Circular for further details.

The Board will announce the specific uses for the proceeds arising from the Proposed Disposal in greater detail at the appropriate juncture.

2.8. Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal.

3. THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

3.1. Background

Subject to completion of the Proposed Disposal, the Company is proposing to undertake the Proposed Capital Reduction to return to Shareholders surplus capital in excess of its needs by way of the Proposed Cash Distribution pursuant to Sections 78A and 78C of the Companies Act, which will involve a cash distribution by the Company to return to Shareholders surplus capital of the Company in excess of its needs of approximately S$0.1215 for each Share held by Shareholders as at the Books Closure Date, fractional entitlements of Shares to be disregarded.

Section 78C of the Companies Act requires that a public company proposing to undertake a capital reduction exercise should, amongst others, obtain the approval of its shareholders at a general meeting by way of a special resolution to be tabled at such general meeting.

The Company will make the Proposed Cash Distribution of the sum of approximately S$36,572,000 (equal to approximately S$0.1215 per Share) (excluding treasury shares), based on the issued and paid-up share capital of the Company of S$36,865,088 comprising 301,002,279 Shares (excluding treasury shares) as at the Latest Practicable Date, subject to the conditions in Paragraph 3.6 below having been satisfied.

The actual amount to be returned to Shareholders will be based on the issued and paid-up share capital of the Company as at the Books Closure Date.

The aggregate amount to be paid to Shareholders will be adjusted by rounding down fractions of a cent to the nearest cent, where applicable.

The Proposed Capital Reduction and Proposed Cash Distribution will not result in a cancellation of Shares or a change in the number of Shares issued by the Company immediately after the Proposed Capital Reduction and Proposed Cash Distribution.

3.2. Rationale for the Proposed Capital Reduction and Proposed Cash Distribution

There will be a resulting cash balance in the Company following completion of the Proposed Disposal, and the Company intends to distribute the excess cash to Shareholders via the Proposed Capital Reduction and Proposed Cash Distribution.

The Directors are of the view that the Proposed Capital Reduction is in the best interests of the Company as the Proposed Cash Distribution amount comprises the paid-up capital in excess of the immediate requirements of the Company, assuming that the sales proceeds from the Proposed Disposal are received upon completion of the Proposed Disposal. In determining the level of capital to be returned to Shareholders, the Company has ensured that it retains sufficient capital for its business and operational needs.

3.3. Solvency Statement

In determining the Proposed Cash Distribution to Shareholders, the Directors have ensured that the Company retains sufficient capital to support its existing operations and pay its debts, if any. Pursuant to this and in compliance with Section 78C of the Companies Act, the Directors will each make a solvency statement ("**Solvency Statement")** confirming that:

(a) as regards the Company's situation at the date of the Solvency Statement, there is no ground on which the Company could be found to be unable to pay its debts;

(b) the Company will be able to pay its debts in full within the period of 12 months immediately after the date of the Solvency Statement; 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 Capital Reduction, become less than the value of its liabilities (including contingent liabilities).

Copies of the Solvency Statements will be available for inspection at the EGM, as well as at the registered office of the Company for a period of six weeks beginning with the date of the EGM.

3.4. Details of the Proposed Capital Reduction and Proposed Cash Distribution

The Proposed Capital Reduction and Proposed Cash Distribution will be effected in the following manner:

(a) reducing the issued and paid-up share capital of the Company by approximately S$36,572,000 from S$36,865,088 (as at the Latest Practicable Date) to S$293,088; and

(b) distributing to Shareholders the sum of approximately S$36,572,000 (equal to approximately S$0.1215 per Share) (excluding treasury shares) based on the issued and paid-up share capital of the Company of S$36,865,088 comprising 301,002,279 Shares (excluding treasury shares) as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$36,865,088 (excluding treasury shares). Upon the completion of the Proposed Capital Reduction, the Company will have an issued and paid-up share capital of S$293,088 (excluding treasury shares).

3.5. Illustration

The following illustration sets out the position of a Shareholder who holds 100 fully paid-up Shares as at the Books Closure Date:

	Shareholder
Position before the Proposed Capital Reduction	
Number of Shares currently held	100
Position after the Proposed Capital Reduction	
Amount of cash received further to the Proposed Cash Distribution	S$12.15
Number of Shares held after the Proposed Cash Distribution	100

In summary, Shareholders will receive approximately S$12.15 in cash for every 100 Shares (or approximately S$0.1215 in cash for each Share) held as at the Books Closure Date. Shareholders holding odd lots of Shares (i.e. lots other than board lots of 100 Shares) will receive approximately S$0.1215 in cash for each Share held by them or on their behalf as at the Books Closure Date. The shareholding of each Shareholder in the Company shall remain unchanged immediately after the Proposed Capital Reduction and Proposed Cash Distribution.

3.6. Conditions of the Proposed Capital Reduction

The Proposed Capital Reduction is subject to, amongst others, the following conditions:

(a) the completion of the Proposed Disposal;

(b) the Directors complying with the relevant solvency requirements set out in the Companies Act, including making the Solvency Statements as set out in Paragraph 3.3 of this Circular;

(c) the Company obtaining Shareholders' approval for the Special Resolution at the EGM, to be approved by a majority of not less than three-fourths of the Shareholders present and voting at the EGM, of which not less than 21 days' notice of the EGM shall have been given;

(d) the Company complying with the relevant publicity requirements as prescribed in the Companies Act, including but not limited to, lodging the reduction information (containing amongst others, the amount of the Company's share capital that is thereby reduced) with ACRA within eight days beginning with the date of the EGM;

(e) no creditor of the Company having made an application for the cancellation of the Special Resolution during the period of six weeks beginning with the date of the EGM, and, if such application was made, the withdrawal of such application or the dismissal thereof by the High Court of Singapore;

(f) the lodgement with ACRA of copies of the Solvency Statements made by the Directors, and the Special Resolution, within 15 days beginning with the date of the EGM;

(g) the lodgement with ACRA of the relevant documents, including but not limited to, a statement from the Directors confirming that the solvency requirements and publicity requirements have been met, after the end of the period of six weeks but before the end of the period of eight weeks beginning with the date of the EGM; and

(h) the satisfaction or any regulatory approvals and/or statutory requirements which may be applicable in connection with the Proposed Capital Reduction.

3.7. Effective Date of the Proposed Capital Reduction

As set out in Paragraph 3.6 of this Circular, the Proposed Capital Reduction is subject to the satisfaction of, amongst others, the conditions set out therein.

After Shareholders' approval has been obtained for the Proposed Capital Reduction at the EGM, the Company will lodge with ACRA, amongst others, a notice containing the text of the Special Resolution. If no creditor of the Company objects to, and applies to the High Court of Singapore to cancel the Special Resolution, the Company will lodge the further requisite documents with ACRA as provided under Section 78E(2) of the Companies Act after the end of the period of six weeks but before the end of the period of eight weeks beginning with the date of the EGM. Upon the lodgement, the Proposed Capital Reduction will take effect.

If, however, a creditor of the Company objects to, and makes an application to the High Court of Singapore for the cancellation of, the Special Resolution within the period of six weeks beginning with the date of the EGM, the Proposed Capital Reduction will only take effect if the creditor's application is withdrawn or dismissed by the High Court of Singapore.

The Company will make further announcements on the Proposed Capital Reduction as appropriate or when there are developments on the same, including the Effective Date.

3.8. Administrative Procedures for the Proposed Cash Distribution

The following paragraphs set out the administrative procedures for the Proposed Capital Reduction and Proposed Cash Distribution:

(a) Books Closure Date

Entitled Shareholders will be considered for purposes of the Proposed Cash Distribution, on the basis of such number of Shares registered in their names or standing to the credit of their Securities Accounts as at the Books Closure Date. On the Expected Payment Date, the Entitled Shareholders will receive a sum of approximately S$0.1215 for each Share held by them as at the Books Closure Date to be determined.

Subject to the satisfaction of the conditions set out in Paragraph 3.6 of this Circular, the Company will make further announcements in due course as soon as reasonably practicable to notify Shareholders of:

(i) the Books Closure Date;

(ii) the Effective Date; and

(iii) the Expected Payment Date.

(b) Deposit of Scrip Shares with CDP

Shareholders who hold Shares registered in their own names in the Register of Members and who wish to deposit their Shares with CDP prior to the Books Closure Date must deliver the existing share certificates in respect of their Shares, together with the duly executed instruments of transfer in favour of CDP, at least 12 Market Days prior to the Books Closure Date, in order for their Securities Accounts to be credited with the relevant Shares by the Books Closure Date.

(c) Payment pursuant to the Proposed Cash Distribution

Payment of the Proposed Cash Distribution will be made in the following manner:

(i) Entitled Shareholders holding Scrip Shares

Shareholders whose Shares are registered in the Register of Members as at the Books Closure Date will have the cheques for payment of their entitlements under the Proposed Cash Distribution despatched to them by ordinary post at their own risk addressed to their respective addresses in the Register of Members on the payment date to be announced in due course ("**Expected Payment Date**"). The Company shall not be liable for any loss in transmission.

(ii) Entitled Shareholders who are Depositors

Shareholders who are Depositors and who have Shares standing to the credit of their Securities Accounts as at the Books Closure Date will have the cheques for payment of their entitlements under the Proposed Cash Distribution despatched to them by CDP by ordinary post at their own risk on the Expected Payment Date. Alternatively, such Depositors will have payment of their entitlements under the Proposed Cash Distribution made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions on the Expected Payment Date. Neither the Company nor CDP shall be responsible or liable for any loss in transmission.

3.9. Taxation

Shareholders should note that the following statements are not to be regarded as advice on the tax position of any Shareholder or any tax implications arising from the Proposed Capital Reduction and Proposed Cash Distribution. Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction outside Singapore should consult their own tax advisors or other professional advisers.

For Singapore income tax purposes, payments made by a Singapore resident company to shareholders pursuant to share capital reductions are generally classified as either a return of capital (which is a capital gain not subject to tax) or a receipt of dividends (which is tax-exempt under the one-tier corporate tax system). As such, for Singapore income tax purposes, any gains from such transactions are generally not taxable unless the proceeds constitute taxable revenue gains or profits from a trade or business carried on by the shareholders.

In relation to the Proposed Cash Distribution to be made to Shareholders pursuant to the Proposed Capital Reduction, as the amount to be paid to Shareholders pursuant to the Proposed Cash Distribution will be paid out of the reduction of the existing issued and paid-up share capital of the Company, the Proposed Cash Distribution should generally be regarded as a return of capital, and is therefore not taxable in Singapore for Shareholders, unless the proceeds constitute taxable revenue gains or profits from a trade or business carried on by Shareholders.

4. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The pro forma financial effects of the Proposed Transactions set out below are purely for illustration purposes only and do not necessarily reflect the actual results and financial position of the Group and of the Company following completion of the Proposed Transactions.

The pro forma financial effects of the Proposed Transactions on the NTA per Share and EPS of the Group are prepared based on the Audited Group FY2019 Results, and are subject to the following assumptions:

(i) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Transactions were completed on 28 February 2019;

(ii) the financial effect on the consolidated EPS is computed based on the assumption that the Proposed Transactions were completed on 1 March 2018; and

(iii) after taking into account the Transaction Expenses.

4.1. Financial Effects of the Proposed Disposal

(a) NTA per Share

On the bases and assumptions set out above, the pro forma effect of the Proposed Disposal on the consolidated NTA per Share is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S$'000)	52,748	47,780
Number of Shares	301,002,279	301,002,279
NTA per Share (cents)	17.52	15.87

(b) EPS

On the bases and assumptions set out above, the pro forma effect of the Proposed Disposal on the consolidated EPS of the Company is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Profit/(Loss) after tax attributable to Shareholders (S$'000)	5,776	(5,409)
Number of Shares	301,002,279	301,002,279
EPS (cents)	1.92	(1.80)

4.2. Financial Effects of the Proposed Capital Reduction and Proposed Cash Distribution

(a) NTA per Share

On the bases and assumptions set out above, the pro forma effect of the Proposed Capital Reduction and Proposed Cash Distribution on the consolidated NTA per Share is as follows:

	Before the Proposed Capital Reduction and Proposed Cash Distribution[(1)]	After the Proposed Capital Reduction and Proposed Cash Distribution[(1)]
NTA (S$'000)	47,780	11,208
Number of Shares	301,002,279	301,002,279
NTA per Share (cents)	15.87	3.72

Note:

(1) Assuming completion of the Proposed Disposal.

(b) EPS

The Proposed Capital Reduction and Proposed Cash Distribution will have no impact on the EPS of the Company.

5. CASH COMPANY – COMPLIANCE WITH RULE 1018 OF THE LISTING MANUAL

5.1. Cash Company

Upon completion of the Proposed Disposal, the Company will cease to have any operating subsidiaries or businesses and will be deemed a cash company under Rule 1018 of the Listing Manual. As a result, the Company will have to comply with the requirements under Rule 1018 of the Listing Manual.

5.2. Rule 1018 of the Listing Manual

Shareholders are to note that under Rule 1018, if the assets of the Company consist wholly or substantially of cash or short-dated securities, its securities will normally be suspended. Accordingly, upon completion of the Proposed Disposal, the Company will become a cash company and its Shares will be suspended. The suspension will remain in force until the Company has a business which is able to satisfy the SGX-ST's requirements for a new listing, and all relevant information has been announced. Upon completion of the Proposed Disposal, the Company must:

(a) place 90.0% of its cash and short-dated securities (including existing cash balance and the Consideration arising from the Proposed Disposal) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore ("**Escrow Account**"). The amount that is placed in the Escrow Account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by Shareholders and pro-rata distributions to Shareholders; and

(b) provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business to the market via SGXNET.

Taking the above compliance into account, the SGX-ST may allow continued trading in the Shares on a case-by-case basis, subject to:

(c) contractual undertakings from the Company's directors, controlling shareholders, chief executive officer and their Associates to observe a moratorium on the transfer or disposal of all their interests, direct and indirect, in the Shares ("**Undertakings**"); and

(d) the period of the moratorium must commence from the date Shareholders approve the Proposed Disposal, up to and including the completion date of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing.

The Company will seek the Undertakings from the Company's directors, controlling shareholders, chief executive officer and their Associates before the EGM, and in the event the Company is unable to secure the Undertakings before the EGM, the Company will make an application to the SGX-ST for the suspension of the trading of Shares in accordance with Rule 1303, such suspension to take effect upon completion of the Proposed Disposal, and the Company will make an announcement on SGXNET to update Shareholders accordingly. The Company will also provide an update to Shareholders at the EGM on the status of the procurement of the Undertakings and the suspension of trading of its Shares, if applicable.

The SGX-ST will proceed to remove the Company from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Company may apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. The extension is subject to the Company providing information to investors on its progress in meeting key milestones in the transaction. In the event the Company is unable to meet the milestones or complete the relevant acquisition despite the time extension granted, no further extension will be granted and the Company will be removed from the Official List and a cash exit offer in accordance with Rule 1309 of the Listing Manual should be made to Shareholders within six months.

Upon completion of the Proposed Disposal, the Company will place 90.0% of its cash and short-dated securities (including existing cash balance and the Consideration arising from the Proposed Disposal) in the Escrow Account in compliance with Rule 1018 of the Listing Manual. Any one person from Group A, comprising Mr. Toh Tiong San and Mr. Chin Yew Choong David, who are both independent directors of the Company and members of the Audit Committee, and any one person from Group B, comprising Mr. Yap Kian Peng, the Executive Deputy Chairman and Chief Executive Officer of the Company, and Ms. Chua Sze Chyi, the Executive Director and Group Financial Controller of the Company (collectively, "**Authorised Persons**"), shall be authorised to jointly enter into agreements with the escrow agent and/or give any notices or take any action on behalf of the Company in connection with the amounts placed in the Escrow Account, provided that no withdrawal of monies from the Escrow Account shall be made by the Company without having obtained the necessary approvals from the SGX-ST for such withdrawal.

In line with the rationale set out in Paragraph 2.4 of this Circular, the Company is currently considering various options available after it becomes a cash company on completion of the Proposed Disposal. Shareholders will be informed in due course once a decision has been made. Although the Company will actively pursue the acquisition of new businesses and assets following completion of the Proposed Disposal, there is no assurance that this will be achieved or achieved within the time frame prescribed in Rule 1018(2) of the Listing Manual, and the Company may be delisted if the Company is unable to meet the requirements for a new listing.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1. Interests of Directors

As at the Latest Practicable Date, none of the Directors has any interest, direct or indirect, in the share capital of the Company.

6.2. Interests of Substantial Shareholders

As at the Latest Practicable Date, the interests of the Substantial Shareholders, based on information in the register of Substantial Shareholders maintained by the Company are as follows:

Substantial Shareholders	**Number of Shares**			
	Direct Interest	**%(1)**	**Deemed Interest**	**%(1)**
Cheng Kwee Kiang	111,230,561	36.95	–	–
Chua Keng Woon	50,248,700	16.69	–	–
Total:	161,479,261	53.65	–	–

Note:

(1) The percentage is calculated based on a total number of 301,002,279 Shares (excluding treasury shares) of the Company in issue as at the Latest Practicable Date.

6.3. Interest in the Proposed Transactions

For the reasons set out in Paragraph 2.6 of this Circular, Mr. Yap, the Executive Deputy Chairman and Chief Executive Officer of the Company, has an interest in the Proposed Disposal.

Save as disclosed above, none of the Directors or Substantial Shareholders of the Company, has any interest, direct or indirect (other than through their shareholdings in the Company, if any), in the Proposed Transactions.

7. OPINION OF INDEPENDENT FINANCIAL ADVISER

CEL Impetus Corporate Finance Pte. Ltd. has been appointed as the independent financial adviser to the Recommending Directors to opine on whether the terms of the Proposed Disposal are on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

A copy of the IFA Letter, containing in full the advice and opinion of the IFA, is reproduced and appended to this Circular at Appendix A. Shareholders are advised to read the IFA Letter carefully before proceeding to vote on the Ordinary Resolution for the Proposed Disposal at the EGM.

The following is an extract from Section 7 of the IFA Letter and should be read by Shareholders in conjunction with, and in the full context of the IFA Letter. Unless otherwise defined or the context otherwise requires, all terms defined in the IFA Letter shall have the meanings therein.

> "*In arriving at our recommendation in relation to the Proposed Disposal, we have reviewed and evaluated factors, including the views and representations of the Directors and Management, which we deem to have significant relevance to our assessment.*
>
> *In arriving at our conclusion, we have also taken into account the following key factors, which are described in more detail in Section 5 and Section 6 of this Letter:-*
>
> *(a) the financial performance of the Business;*
>
> *(b) the financial assessment of the Consideration for the Proposed Disposal;*
>
> *(c) the rationale for the Proposed Disposal;*

(d) the financial effects of the Proposed Disposal;

(e) book value of the Business and the Jackspeed Business Assets; and

(f) other factors relevant to our evaluation.

Having considered the above and subject to the assumptions and qualifications set out in this Letter, we are of the opinion that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders. Accordingly, we advise the Independent Directors to recommend that the Independent Shareholders vote in favour of the Proposed Disposal to be proposed at the EGM."

8. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee comprises Mr. Toh Tiong San, Mr. Chin Yew Choong David and Mr. Yap. For the reasons set out in Paragraph 2.6 of this Circular, Mr. Yap has an interest in the Proposed Disposal. Accordingly, Mr. Yap has abstained from the Audit Committee's review and determination in relation to the Proposed Disposal.

Save for Mr. Yap, the members of the Audit Committee do not have any interests in the Proposed Disposal and are accordingly considered to be independent for the purposes of the Proposed Disposal.

Having reviewed and considered, *inter alia*, the terms, rationale and financial effects of the Proposed Disposal, as well as the advice and opinion of the IFA, the Audit Committee (save for Mr. Yap) concurs with the opinion of the IFA and is of the view that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

9. DIRECTORS' RECOMMENDATION

9.1. Proposed Disposal

For the reasons set out in Paragraph 2.6 of this Circular, Mr. Yap has an interest in the Proposed Disposal. Accordingly, Mr. Yap will abstain from making any recommendation on the Proposed Disposal in his capacity as Director.

Having reviewed and considered, *inter alia*, the following matters:

(a) the terms of the Proposed Disposal;

(b) the rationale for the Proposed Disposal;

(c) the financial effects of the Proposed Disposal; and

(d) the advice and opinion of the IFA,

the Recommending Directors are of the view that the Proposed Disposal is in the interests of the Company. Accordingly, the Recommending Directors recommend that Shareholders **VOTE IN FAVOUR** of the Ordinary Resolution relating to the Proposed Disposal as set out in the Notice of EGM.

9.2. Proposed Capital Reduction and Proposed Cash Distribution

Having fully considered the terms and rationale for the Proposed Capital Reduction and the Proposed Cash Distribution, the Directors are of the opinion that the Proposed Capital Reduction and Proposed Cash Distribution are in the best interests of the Company. Accordingly, the Directors recommend that Shareholders **VOTE IN FAVOUR** of the Special Resolution to approve the Proposed Capital Reduction and Proposed Cash Distribution at the EGM.

In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisers.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on Pages E-1 to E-2 of this Circular, will be held on 15 November 2019 at 9.30 a.m. at Copenhagen Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution and Special Resolution as set out in the Notice of EGM.

11. INTER-CONDITIONALITY OF RESOLUTIONS TO BE PASSED

In voting for the resolutions set out in the Notice of EGM, Shareholders should note that the Special Resolution is conditional upon the passing of the Ordinary Resolution. Accordingly, in the event that the Ordinary Resolution is not approved, the Special Resolution will not be passed.

12. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Listing Manual, an interested person and any Associate of the interested person must abstain from voting on the resolutions approving the interested person transactions involving themselves and their Associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolutions unless specific voting instructions had been given by the Shareholders.

Accordingly, Mr. Yap will abstain, and will ensure that his Associates will abstain, from voting on the Ordinary Resolution in relation to the Proposed Disposal, and will not accept any appointments to act as proxy for any Shareholder in relation to the Ordinary Resolution relating to the Proposed Disposal unless specific voting instructions as to voting are given by such Shareholder in the proxy instrument.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

13.1. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached proxy form 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 EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

13.2. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM 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 time fixed for the EGM.

14. 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 Transactions, 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 this 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 this Circular in its proper form and context.

15. CONSENTS

15.1. The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter set out in Appendix A to this Circular and all references thereto in the form and context in which it appears in this Circular.

15.2. Each of the Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and its Valuation Certificate(s) set out in Appendix B to this Circular and all references thereto in the form and context in which it appears in this Circular.

16. DOCUMENTS AVAILABLE FOR INSPECTION

16.1. Copies of the following documents will be available for inspection by the Shareholders at the registered office of the Company at 221 Henderson Road, #06-15 Henderson Building, Singapore 159557 during normal business hours for a period of three months from the date of this Circular:

(a) the Constitution of the Company;

(b) the Audited Group FY2019 Results;

(c) the SPA;

(d) the Novation Agreement;

(e) the Supplemental Letter;

(f) the Supplemental Agreement;

(g) the IFA Letter;

(h) the valuation reports issued by the Valuers, extracts of which are appended as the Valuation Certificates in Appendix B to this Circular; and

(i) the letters of consent referred to in Paragraph 15 of this Circular.

16.2. Copies of the Solvency Statement signed by the Directors in connection with the Proposed Capital Reduction will be available for inspection at the EGM as well as the registered office of the Company at 221 Henderson Road, #06-15 Henderson Building, Singapore 159557, for a period of six weeks beginning with the date of the EGM.

Yours faithfully
For and on behalf of the Board
JACKSPEED CORPORATION LIMITED

Chua Sze Chyi
Executive Director and Group Financial Controller

LETTER FROM CEL IMPETUS CORPORATE FINANCE PTE. LTD. TO THE INDEPENDENT DIRECTORS OF JACKSPEED CORPORATION LIMITED

24 October 2019

The Independent Directors
Jackspeed Corporation Limited
221 Henderson Road
#06-15
Singapore 159557

Dear Sirs,

THE PROPOSED DISPOSAL OF THE ENTIRE BUSINESS AND BUSINESS ASSETS OF JACKSPEED CORPORATION LIMITED AS AN INTERESTED PARTY TRANSACTION AND A MAJOR TRANSACTION

*Unless otherwise defined or the context requires otherwise, all terms used herein have the same meanings as defined in the Circular to Shareholders of the Company in relation to the Proposed Disposal dated 24 October 2019 (the "**Circular**").*

1. INTRODUCTION

On 27 May 2019, the Company announced that it has on 27 May 2019 entered into a letter of intent with Yap Kian Peng ("**Mr. Yap**"), the Executive Deputy Chairman and Chief Executive Officer of the Company, for the proposed disposal by the Company of (i) the entirety of its business in the accessories and non-accessories segments as a going concern and (ii) all assets and liabilities existing on the Company's balance sheet pertaining to the entirety of its business in the accessories and non-accessories segments as a going concern (including inter-company balances) and the Company's entire legal and beneficial interests in all of its directly held subsidiaries free from all encumbrances and together with all rights, benefits and entitlements attached to the Company's entire legal and beneficial interests in all of its directly held subsidiaries to a special purpose vehicle to be incorporated and controlled by Mr. Yap, for a consideration of S$48,000,000.

On 4 June 2019, the Company announced that it had on 4 June 2019 entered into a conditional sale and purchase agreement ("**SPA**") with Mr. Yap, pursuant to which the Company has agreed to sell, and Mr. Yap has agreed to acquire (a) the entire business and undertaking of the Company as a going concern which involves the sales of leather trim and accessories to car distributors, dealers and manufacturers in the automotive and aviation industries, and sales from trading, financing and rental of motor vehicles and business of commission agents ("**Business**"); and (b) all the property, assets, rights, undertakings and liabilities of the Company pertaining to the Business and existing on the Company's balance sheet as at completion of the Proposed Disposal ("**Jackspeed Business Assets**"), which include the Company's legal and beneficial interest in the subsidiaries and Associated Companies as detailed in Section 2.1 (b) of the Circular to Jackspeed Holdings Pte. Ltd. ("**Purchaser**"), being a special purpose vehicle incorporated and wholly-owned by Mr. Yap, for an aggregate consideration of S$48,000,000 ("**Consideration**"), upon the terms and subject to the conditions of the SPA and the Novation Agreement (the "**Proposed Disposal**").

On 30 August 2019, the Company and Mr. Yap entered into a supplemental letter dated 30 August 2019 to, *inter alia*, (i) extend the long-stop date for a further three months from 30 August 2019 to 30 November 2019; and (ii) extend the period for the Purchaser to complete the due diligence exercise on the Company, the Business and the Jackspeed Business Assets from six weeks from the date of the SPA to 19 weeks from the date of the SPA.

On the date of the Circular, the Company and Mr. Yap entered into a supplemental agreement (the **"Supplement Agreement"**) to extend the time within which the Company is required to change its name and remove the word "Jackspeed" from its name ("**Change of Name**") from three months to one year from completion of the Proposed Disposal. In connection with the foregoing and pursuant to the Supplemental Agreement, the Purchaser has also agreed to waive the requirement that the Company must have obtained the approvals from the Board and from the Shareholders at the EGM for the Change of Name as a condition to completion of the Proposed Disposal.

The Purchaser, being wholly-owned by Mr. Yap, the Executive Deputy Chairman and Chief Executive Officer of the Company, is an associate of Mr. Yap and accordingly, is an interested person as defined under Chapter 9 of the Listing Manual.

Under Chapter 9 of the Listing Manual, where an entity at risk (as defined in the Listing Manual) proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5% of the Group's latest audited NTA, shareholders' approval is required in respect of the transaction.

As the Purchaser is an "interested person" and the Company is an "entity at risk" as defined under Chapter 9 of the Listing Manual, the Proposed Disposal constitutes an interested person transaction ("**Interested Person Transaction**") under the provisions of Chapter 9 of the Listing Manual. In addition, as the Consideration for the Proposed Disposal will exceed 5% of the Group's latest audited NTA, the Company is required to seek the approval of the Shareholders for the Proposed Disposal pursuant to Rule 906 of the Listing Manual. The relevant rules also require Mr. Yap and each of his Associates to abstain from voting on resolutions relating to the Proposed Disposal.

In connection with the above and pursuant to the requirements of Chapter 9 of the Listing Manual, CEL Impetus Corporate Finance Pte Ltd ("**CICF**") has been appointed by the Company as the independent financial adviser ("**IFA**") to advise the Directors who are deemed to be independent in respect of the Proposed Disposal ("**Independent Directors**"). The Directors who are deemed to be independent for the purpose of making the recommendation in respect of the Proposed Disposal are Messrs Chin Yew Choong David, Toh Tiong San and Chua Sze Chyi.

This letter ("**Letter**") sets out, *inter alia,* our evaluation of the terms of the Proposed Disposal and our advice to the Independent Directors in relation to their recommendations to the Independent Shareholders on the Proposed Disposal. This Letter forms part of the Circular providing, *inter alia,* details of the Proposed Disposal and the recommendations of the Independent Directors in respect thereof.

Certain figures and computations as enumerated or set out in this Letter are based on approximations and its accuracy is subject to rounding.

2. TERMS OF REFERENCE

CICF has been appointed as the IFA pursuant to the Rule 921(4)(a) of the Listing Manual, as well as to advise the Independent Directors only in respect of whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

CICF is neither a party to the negotiations or discussions in relation to the Proposed Disposal, nor was CICF involved in the deliberations leading up to the decision on the part of the Company to enter into the Proposed Disposal, and we do not, by this Letter, in any way advise or comment on the merits of the Proposed Disposal other than to form an opinion on whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

Our terms of reference do not require us to evaluate or comment on the strategic, commercial, financial merits or risks (if any) of the Proposed Disposal or to compare their relative merits vis-à-vis alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we do not express an opinion on any of the aforesaid.

We are not required to and have not made any independent appraisal or valuation of the assets and liabilities of the Company, the Group, the Business and/or the Jackspeed Business Assets. Any such evaluation, comment, comparison, consideration, appraisal or valuation remains and is solely the responsibility of the Directors and the management of the Company ("**Management**"), but we may draw upon their views or make comments in respect thereof (to the extent we deem necessary or appropriate and at our sole discretion) in arriving at our opinion as set out in this Letter. We have also relied on information on the Company and/or the Group, including the disclosures and representations made by the Company on the values of the assets and liabilities of the Company and/or the Group stated therein.

For the purpose of our advice and opinion, we have relied on publicly available information collated by us, information set out in the Circular, and information (including representations, opinions, facts and statements) provided to us by the Directors, Management and employees, and the advisers of the Company, including the following valuation reports (the "**Valuation Reports**") in respect of the market value of the Business's properties (**"Appraised Properties"**):

(i) Valuation report dated 11 June 2019 issued by OrangeTee Advisory Pte Ltd (**"OrangeTee"**) on the market value of the Business' flatted factory unit located at 221 Henderson Road #06-15 Henderson Building Singapore 159557

(ii) Valuation report dated 14 June 2019 issued by C.I.T. Appraisal Co., Ltd (**"CIT Appraisal"**) on the market value of the Business' freehold land located at Amata Nakorn Industrial Estate, Tambol Panthong, Amphur Panthong, Chonburi 20160, Thailand

(iii) Valuation report dated 11 June 2019 issued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (**"Colliers"**) on the market value of the Business' double storey terraced shophouse located at No. 118 Jalan 1 Taman Sri Kluang, 86000 Kluang, Johor Darul Takzim, Malaysia

(iv) Valuation report dated 11 June 2019 issued by Colliers on the market value of the Business' double storey detached factory annexed with a three storey office buildings and other ancillary structures located at No. 21 Jalan 20 Taman Sri Kluang, 86000 Kluang, Johor Darul Takzim, Malaysia

(collectively, OrangeTee, CIT Appraisal and Colliers are referred as **"Valuers"**)

We have relied on the assurances of the Directors and Management that they jointly and severally accept full responsibility for the accuracy, truth, completeness and adequacy of such information and they have confirmed to us that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Proposed Disposal, the Company, the Group, the Business and/or the Jackspeed Business Assets has been disclosed to us, that such information is true, complete, accurate and fair in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to or relied upon by us or the facts of or in relation to the Proposed Disposal, the Company, the Group, the Business and/or the Jackspeed Business Assets to be inaccurate, untrue, incomplete, unfair or misleading in any material respect.

We have not independently verified any of the aforesaid information whether written or verbal, and have assumed its accuracy, truth, completeness and adequacy, including without limitation any information on the assets and liabilities of the Company, the Group, the Business and/or the Jackspeed Business Assets. Accordingly, we cannot and do not represent or warrant (expressed or implied), and do not accept any responsibility for the accuracy, truth, completeness or adequacy of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors and the Management to us and/or in the Circular have been reasonably made after due and careful inquiry.

Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonableness of such information as we deemed necessary and have found no reason to doubt the accuracy or reliability of the information.

The scope of our appointment does not require us to conduct any comprehensive independent review of the business, operations or financial conditions of the Company and/or the Group, or to express, and we do not express, any view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Disposal. Such review or comment, if any, remains the responsibility of the Directors and the management of the Company and/or the Group, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Manual and/or deemed necessary or appropriate by us at our sole discretion) in arriving at our advice as set out in this Letter. We have not obtained from the Company and/or the Group any projection of the future performance including financial performance of the Company, the Group, the Business and/or Jackspeed Business Assets and further, we did not conduct discussions with the Directors and management of the Company and/or the Group on, and did not have access to, any business plan and financial projections of the Company, the Group, the Business and/or Jackspeed Business Assets. We also do not express an opinion herein as to the prices at which the Shares of the Company may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after completion of the Proposed Disposal.

We have not made any independent evaluation and appraisal on the assets and liabilities of the Company, the Group, the Business and/or Jackspeed Business Assets and we have not been furnished with any such evaluation and appraisal, except for the Valuation Reports issued by the Valuers as set out in Appendix B of the Circular in respect of the Appraised Properties on which we have placed sole reliance for such asset appraisals.

Our advice and opinion herein are based upon market, economic, industry, monetary and other conditions prevailing on, and the information provided to us as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of, and this Letter does not take into account, any subsequent development after the Latest Practicable Date that may affect our opinion herein.

The Company has been separately advised by its advisers in the preparation of the Circular (other than this Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this Letter).

We have not regarded the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment portfolios and objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his or her investment portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisers.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any purposes other than for the purposes of the Shareholders' resolution in relation of the Proposed Disposal at any time and in any manner without the prior written consent of CICF in each specific case.

This Letter is for the use and benefit of the Independent Directors in connection with their consideration of the Proposed Disposal. The recommendations made by them to the Independent Shareholders are the responsibility of the Independent Directors. Shareholders should also take note of any announcements relevant to the Proposed Disposal which may be released by the Company after the Latest Practicable Date.

3. INFORMATION ON THE BUSINESS AND JACKSPEED BUSINESS ASSETS

Information on the Business and Jackspeed Business Assets has been extracted from Section 2.1 of the Circular and set out in italics below. Shareholders are advised to read Section 2.1 of the Circular carefully.

"Under the SPA, the Company will sell, and the Purchaser will acquire, the following:

(a) the entire business and undertaking of the Company as a going concern which involves the sales of leather trim and accessories to car distributors, dealers and manufacturers in the automotive and aviation industries, and sales from trading, financing and rental of motor vehicles and business of commission agents ("Business"); and

(b) all the property, assets, rights, undertakings and liabilities of the Company pertaining to the Business and existing on the Company's balance sheet as at completion of the Proposed Disposal ("Jackspeed Business Assets"), which include the Company's entire legal and beneficial interest in the following subsidiaries and Associated Companies (together with the Company, "Target Group Companies", and each a "Target Group Company"):

Name (Country of Incorporation)	***Particulars of registered / paid-up capital***	***Percentage of equity interest attributable to the Company***	***Principal Business Activity***
Ultimate Vehicle Pty Ltd (Australia)	*AUD100*	*100%*	*Distribution and installation of automotive leather seating, sunroofs, canopies and automotive accessories*
Jackspeed Australia Pty Ltd (Australia)	*AUD1*	*100%*	*Distribution and installation of automotive accessories*
Simply Infinity Limited (British Virgin Islands)	*USD1*	*100%*	*Investment holding*
Jackspeed Leather Special Manufacturer (M) Sdn. Bhd. (Malaysia)	*RM500,000*	*100%*	*Production and sale of automotive leather trim*
Jackspeed Europe B.V.[1] (Netherlands)	*EUR18,000*	*100%*	*Dormant company*
Jackspeed Leather Manufacturer (Haining) Co., Ltd[1] (People's Republic of China)	*USD601,686.82*	*100%*	*Dormant company*
Jackson Vehicle Holdings Pte. Ltd. (Singapore)	*S$2,800,000*	*100%*	*Investment holding*

Name (Country of Incorporation)	***Particulars of registered / paid-up capital***	***Percentage of equity interest attributable to the Company***	***Principal Business Activity***
Jackspeed Singapore Pte. Ltd. (Singapore)	*S$5,000,000*	*100%*	*Sale of automotive leather trim*
Simply Investments Pte. Ltd. (Singapore)	*S$1*	*100%*	*Investment holding*
Jackspeed Leather Manufacture (Thailand) Co., Ltd.[1] (Thailand)	*THB20,000,000*	*100%*	*Dormant company*
PT JLS Indonesia[1] (Indonesia)	*USD50,000*	*99.5%*	*Dormant company*
Index Credit Pte Ltd (Singapore)	*S$3,000,000*	*60%*	*Finance leasing in new and used motor vehicles, car dealer and rental of motor vehicles*
Jackspeed Euris Japan Pte. Ltd. (Singapore)	*S$100*	*50%*	*Design, distribution and installation of automotive seat covers*
Wenul Assets (Industrial) Pte. Ltd. (Singapore)	*S$500,000*	*13.4%*	*Real estate development*

Note:

(1) This is a dormant company.

The Proposed Disposal will result in the Company disposing of its Business and the Jackspeed Business Assets in their entirety."

4. TERMS OF THE PROPOSED DISPOSAL

The Consideration for the Proposed Disposal is S$48 million, payable by the Purchaser to the Company in cash upon completion of the Proposed Disposal. Information relating to the Consideration and other salient terms of the Proposed Disposal has been extracted from Section 2.3 of the Circular and set out in italics below. Shareholders are advised to read Section 2.3 of the Circular carefully.

"2.3. Material Terms of the Proposed Disposal

(a) Consideration

The Consideration of S$48,000,000 is payable by the Purchaser to the Company in cash on completion of the Proposed Disposal.

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser, on a willing-buyer willing-seller basis, after taking into account, amongst other things, the net tangible asset value of the Business and the Jackspeed Business Assets based on the Unaudited Group FY2019 Results, and the rationale for the Proposed Disposal as set out in Paragraph 2.4 of this Circular. At the time of signing of the SPA, only the Unaudited Group FY2019 Results were available, however, the Unaudited Group FY2019 Results are not materially different from the Audited Group FY2019 Results.

Based on the Valuation Certificates issued by the Valuers as set out in Appendix B to this Circular, the market value of the following freehold properties owned by the Group ("Properties"), as well as details of the valuations conducted, are as follows:

Property	***Market Value (S$)***	***Party who commissioned valuation***	***Name of Valuer***	***Basis of Valuation***	***Date of Valuation***
221 Henderson Road #06-15 Henderson Building Singapore 159557	*S$1,880,000*	*Company*	*OrangeTee Advisory Pte Ltd*	*Direct comparison method*	*6 June 2019*
Amata Nakorn Industrial Estate, Tambol Panthong, Amphur Panthong, Chonburi 20160, Thailand	*THB44,400,000*	*J.V. (Thailand) Co., Ltd.*	*C.I.T. Appraisal Co., Ltd.*	*Market approach*	*11 June 2019*
No. 118 Jalan 1 Taman Sri Kluang, 86000 Kluang, Johor Darul Takzim, Malaysia	*RM700,000*	*Company*	*Colliers International Consultancy & Valuation (Singapore) Pte Ltd*	*Comparison approach*	*11 June 2019*
No. 21 Jalan 20 Taman Sri Kluang, 86000 Kluang, Johor Darul Takzim, Malaysia	*RM3,800,000*	*Company*	*Colliers International Consultancy & Valuation (Singapore) Pte Ltd*	*Cost approach*	*11 June 2019*

Save for valuations on the Properties set out above, the Company has not commissioned a valuation on the Business or the Jackspeed Business Assets as the Board is of the view that the valuations attributable to the other major balance sheet items which comprise the Jackspeed Business Assets, such as plant and equipment, receivables and cash and cash equivalents are unlikely to be adjusted upwards. Moreover, the Company has appointed the IFA to advise on, inter alia, whether the terms of the Proposed Disposal are on normal commercial terms. In arriving at their recommendation, the IFA would have reviewed and evaluated relevant factors such as price to earnings ratio, price to NAV ratio, price to NTA ratio, the enterprise value to earnings before interest and tax and the VWAP of the Shares as set out in the IFA Letter. Accordingly, the Board is of the view that no separate valuation is necessary for the Proposed Disposal.

Based on the Audited Group FY2019 Results:

(i) the book value and the net tangible asset value of the Business and the Jackspeed Business Assets were approximately S$53,189,000 and S$52,748,000 respectively;

(ii) the Properties comprised approximately 17.8% and 18.1% of the book value and the net tangible asset value of the Business and the Jackspeed Business Assets respectively (after excluding cash and cash equivalents of S$24,316,000 as at 28 February 2019); and

(iii) the net profits after tax attributable to the Business and the Jackspeed Business Assets is approximately S$5,776,000.

The Consideration, after taking into account the Transaction Expenses, represents approximately S$0.159 on a per Share basis ("Net Proceeds per Share") taking into account the total issued Shares of 301,002,279 Shares. The Net Proceeds per Share represents a premium of approximately 16% to the volume weighted average share price of the Company of S$0.137 on 3 June 2019, being the Last Trading Day.

The Consideration represents a deficit of approximately S$5,189,000 over the book value of the Business and the Jackspeed Business Assets as at 28 February 2019. The estimated loss on the Proposed Disposal is approximately S$5,409,000 based on the Consideration, after adjustment for the Transaction Expenses, and the book value of the Business and the Jackspeed Business Assets as at 28 February 2019.

The rationale for the Proposed Disposal is set out at Paragraph 2.4 of this Circular.

(b) Conditions Precedent

Completion of the Proposed Disposal is conditional upon satisfaction or waiver (as the case may be) of, inter alia, the following conditions ("Conditions"):

(i) the Company and the Purchaser each having obtained all necessary consents, approvals, authorisations, clearances and/or waivers from its board of directors, any other persons and any relevant authorities in Singapore or any other jurisdictions (as applicable), including but not limited to, approvals from the SGX-ST, in respect of the SPA and the transactions contemplated thereunder and such consents, approvals, authorisations, clearances and/or waivers remaining in full force and effect;

(ii) without prejudice to the generality of Paragraph 2.3(b)(i) of this Circular, the Company having notified any banks or financial institutions which any of the Target Group Companies have financing arrangements with, of the Proposed Disposal and such persons having given their written consents to the proposed change in control of the Business and the Jackspeed Business Assets for the purposes of the respective agreements entered into with the Target Group Companies, and such consents not having been cancelled, revoked or withdrawn;

(iii) without prejudice to the generality of Paragraph 2.3(b)(i) of this Circular, the Company having obtained the irrevocable and unconditional waiver in writing from the shareholders of each of the Target Group Companies, other than the Company, of such shareholders' rights of pre-emption in relation to the sale and purchase of the legal and beneficial interests in the shares of that Target Group Company (where required);

(iv) the Company having obtained Shareholders' approval for the Proposed Disposal at the EGM;

(v) the Company having:

(A) notified or obtained the consent of any third party for the transfer or assignment of the contracts to be sold as part of the Jackspeed Business Assets ("Contracts") to the Purchaser, where required; and

(B) taken all actions and given effect to, completed, signed or otherwise executed all agreements, deeds, forms, notices and/or other documents (as the case may be) and/or procured the giving of effect to, completion, signing and/or execution (as the case may be) of all agreements, deeds, forms, notices and/or other documents (as the case may be) as required by the Purchaser in relation to the transfer, assignment or novation of the Contracts to the Purchaser;

(vi) the Purchaser having obtained the requisite financing from a financial institution in respect of the Purchaser's acquisition of the Business and the Jackspeed Business Assets pursuant to the Proposed Disposal; and

(vii) the results of the Purchaser's due diligence exercise on the Company, the Business and the Jackspeed Business Assets being satisfactory to the Purchaser in its sole discretion, such due diligence to be completed within 19 weeks from the date of the SPA or a mutually agreed extended period.

If the Conditions are not satisfied or waived on or before 30 November 2019 or such other date as may be agreed in writing between the Company and the Purchaser, the SPA shall lapse.

(c) Completion of the Proposed Disposal

Completion of the Proposed Disposal shall take place on the date falling five business days following notification of the satisfaction or waiver (as the case may be) of the last of the Conditions or at such other date as may be agreed in writing between the Company and the Purchaser.

(d) Change of Name

Upon completion of the Proposed Disposal, the Company shall take steps to procure the Change of Name and shall effect such change within one year from completion of the Proposed Disposal. In addition, subject to the foregoing, upon completion of the Proposed Disposal, the Company shall not, and shall procure that none of its subsidiaries shall, at any time after completion of the Proposed Disposal, use in connection with any trade or business, any corporate name, trade name, logo, domain name or e-mail address which is confusingly similar to the name "Jackspeed" or to any corporate name, trade name, logo, domain name or e-mail address used by any of the Target Group Companies."

5. EVALUATION OF THE PROPOSED DISPOSAL

In the course of our evaluation of the financial terms of the Proposed Disposal, we have given due consideration to, *inter-alia*, the following factors:

(a) the financial performance and financial position of the Business;

(b) the financial assessment of the Consideration for the Proposed Disposal;

(c) the rationale for the Proposed Disposal;

(d) the financial effects of the Proposed Disposal; and

(e) book value of the Business and the Jackspeed Business Assets.

5.1 Financial Performance and Position of the Business

Review of financial performance

We set out below a summary of the consolidated statement of comprehensive income of the Business for FY2019, FY2018 and FY2017:

	← Audited →		
(S$'000)	**FY2019**	**FY2018**	**FY2017**
Revenue	46,682	52,448	67,652
Gross profit	17,165	16,288	15,539
Net profit before tax	8,877	8,060	6,259
Net profit after tax	6,949	6,393	5,274

FY2019 vs FY2018

Revenue

Revenue in FY2019 decreased by $5.8 million or 11% as compared to the prior year. In FY2019, the accessories and non-accessories segments accounted for 65% and 35% of the Business' revenue respectively, as compared to 57% and 43% respectively in the prior year.

Revenue from the accessories segment remained relatively consistent at $30.5 million in FY2019 (FY2018: $29.8 million).

Revenue from the non-accessories segment decreased by $6.5 million or 29%, from $22.7 million in FY2018 to $16.2 million in FY2019. This is mainly due to a decrease in motor vehicle sales. The decrease is partially offset by revenue growth from the vehicle financing business.

Operating profit

Operating profit from the accessories segment decreased by $0.4 million from $5.7 million in FY2018 to $5.3 million in FY2019. This is mainly due to the realisation of exchange loss of $0.2 million on translating the financial statements of Ultimate Vehicle Pty Ltd (**"Ultimate"**).

Operating profit from the non-accessories segment increased by $0.8 million from $3.0 million in FY2018 to $3.8 million in FY2019. This is mainly contributed by the growth of the vehicle financing business, and partially offset by the decrease in motor vehicle sales.

Gross profit margin

Gross profit margin increased by 6% from 31% in FY2018 to 37% in FY2019. This is due to higher gross profit margin in the non-accessories segment as a result of a change in sales mix aforementioned.

Other expenses

The $0.4 million increase in other expenses, from $0.5 million in FY2018 to $0.9 million in FY2019, is mainly due to an impairment loss of $0.4 million on the goodwill of Ultimate in FY2019.

Net profit after tax

Net profit after tax increased by $0.6 million in FY2019 as compared to FY2018. The increase is mainly due to a $0.9 million increase in share of profit from equity-accounted associate. This is partially offset by an impairment of goodwill of an Australia subsidiary, Ultimate, amounting to $0.4 million in FY2019.

FY2018 vs FY2017

Revenue

Revenue in FY2018 decreased by $15.2 million or 23% as compared to the prior year. In FY2018, the accessories and non-accessories segments accounted for 57% and 43% of the Business' revenue respectively, as compared to 36% and 64% respectively in the prior year.

Revenue from the accessories segment grew by $5.3 million or 21% from $24.5 million in FY2017 to $29.8 million in FY2018.

The non-accessories segment recorded lower revenue of $22.7 million in FY2018, a decrease of $20.4 million or 47% from $43.1 million in FY2017. This is mainly due to a decrease in the volume of motor vehicles traded.

Operating profit by segments

Operating profit from the accessories segment increased correspondingly with revenue by $1.8 million from $3.9 million in FY2017 to $5.7 million in FY2018.

Despite lower revenue, operating profit from the non-accessories segment remained consistent at $4.3 million in FY2018 as compared to $4.5 million in FY2017.

Gross profit margin

Gross profit margin increased by 8% from 23% in FY2017 to 31% in FY2018. This is due to: (i) higher profit margins achieved from the accessories segment through better management of costs; and (ii) higher profit margins in the non-accessories segment as a result of a change in sales mix.

Finance costs

The increase in finance costs by $1.3 million, from $0.7 million in FY2017 to $2.0 million in FY2018, is mainly due to an increase in finance lease liabilities in FY2018 as compared to FY2017.

Other expenses

The increase in other expenses by $0.4 million, from $0.1 million in FY2017 to $0.5 million in FY2018, is mainly due to foreign exchange losses incurred in FY2018 on the revaluation of foreign currency denominated receivables and bank balances.

Net profit after tax

Net profit attributable to owners of the Group increased by $1.1 million in FY2018 as compared to FY2017. This is mainly due to better performance of the accessories segment in terms of revenue and gross profit margin.

Review of financial position

	Audited
(S$'000)	**As at 28 February 2019**
Non-current assets	87,138
Current assets	72,458
Total assets	**159,596**
Non-current liabilities	1,197
Current liabilities	100,403
Total liabilities	**101,600**
Net assets	**57,996**

Assets as at 28 February 2019 comprised mainly finance lease receivables of S$88.0 million (55.1%), cash and cash equivalents of S$24.3 million (15.2%), trade and other receivables of S$20.8 million (13.0%), property, plant and equipment of S$17.6 million (11.0%), investment in an associate of S$2.8 million (1.8%), other current assets of S$2.0 million (1.2%), inventories of S$2.5 million (1.6%) and asset held for sale of S$0.8 million (0.5%).

Liabilities as at 28 February 2019 comprised other financial liabilities of S$90.5 million (89.1%), trade and other payables of S$9.8 million (9.7%), income tax payable of S$1.2 million (1.2%) and deferred tax liabilities of S$0.1 million (0.1%).

As at 28 February 2019, the Business recorded a negative working capital of S$28.7 million (excluding asset held for sale) and a shareholders' equity of S$58.0 million.

5.2 Financial Assessment of the Consideration for the Proposed Disposal

5.2.1 Assessment of the Consideration against Selected Comparable Companies

In assessing the Consideration from a financial viewpoint, we have compared the financial ratios implied by the Consideration against the financial ratios of companies listed and traded on the regional stock exchanges which are engaged in business activities that are broadly comparable with the Business ("**Selected Comparable Companies**"). Such comparison provides an indication of the current market expectations with regards to the valuation of these comparable businesses, implied by their respective closing market prices as at the Latest Practicable Date.

The Selected Comparable Companies have been identified through a search on Bloomberg L.P. and other public sources. Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable Companies. We have had discussion with the Directors and Management about the suitability of the Selected Comparable Companies serving as a basis for comparison with the Business and have obtained confirmations from the Directors and Management on the appropriateness of the Selected Comparable Companies.

We recognise, however, that our list of Selected Comparable Companies is not exhaustive and there may not be any company listed on the SGX-ST or other regional stock exchanges that is directly comparable to the Business in terms of location, sales growth, type of products, scale of operations, geographical markets, track record, future prospects, asset base (including intangible assets such as intellectual properties, branding and patents), risk profile, customer base and other relevant criteria. As such, the Independent Directors should note that any comparison made with respect to the Selected Comparable Companies are merely for illustration purposes and when considering the conclusion drawn from any comparisons herein, the Independent Directors should bear in mind the inherent limitations highlighted above.

We wish to highlight that the figures used in our financial assessment have been extracted where available and/or applicable, from Bloomberg L.P., the Circular and other publicly available sources. We make no representations or warranties, express or implied, as to the accuracy or completeness of such information.

We have used the following financial ratios in our analysis:

Financial Ratio	General Description
Price-to-Earnings ("**P/E**") ratio	P/E ratio illustrates the ratio of the market price of a company's shares relative to its consolidated after-tax earnings per share attributable to the owners of the respective companies as stated in its financial statements. The P/E ratio is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. In our analysis, we used the market price of the shares as of the Latest Practicable Date, divided by the aggregate of the most recent announced four quarters earnings per share.
Price-to-Net Asset Value ("**P/NAV**") ratio	P/NAV ratio illustrates the ratio of the market price of a company's share relative to its historical NAV per share as recorded in its financial statements. "NAV" or "net asset value" is defined as the total assets less total liabilities and excludes where applicable non-controlling interest. The NAV figure provides an estimate of the value of a company assuming the hypothetical sale of its assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distributions to its shareholders. Comparisons of companies using their NAVs are affected by differences in their respective accounting policies, in particular, their depreciation and asset valuation policies. In our analysis, we used the market price of the shares as of the Latest Practicable Date, divided by the most recently announced NAV per share.

Financial Ratio	General Description
Price-to-Net Tangible Asset (**"P/NTA"**) ratio	P/NTA ratio illustrates the ratio of the market price of a company's share relative to its historical NTA per share as recorded in its financial statements. "NTA" or "net tangible asset" is defined as total tangible assets (excluding intangible assets) less total liabilities and excludes, where applicable, non-controlling interest. The NTA figure provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NTAs are affected by differences in their respective accounting policies, in particular, their depreciation and asset valuation policies. In our analysis, we used the market price of the shares as of the Latest Practicable Date, divided by the most recently announced NTA per share.
Enterprise Value-to-Earnings Before Interest and Tax ("**EV/EBITDA**")	"EV" or "Enterprise Value" is the sum of a company's market capitalisation, preferred equity, independent interests, consolidated short-term and long-term debts, inclusive of finance lease liabilities, less its consolidated cash and cash equivalents. "EBITDA" stands for historical consolidated earnings before interest, tax, depreciation and amortisation, inclusive of share of associates' and joint ventures' income. The EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical pre-tax consolidated operating cashflow performance, without regard to its capital structure. In our analysis, we used the Enterprise Value based on the market capitalisation as of the Latest Practicable Date divided by the most recent announced four quarters EBITDA.

The statistics for the Selected Comparable Companies are based on their closing prices as at the Latest Practicable Date and the publicly available financial results based on their respective financial periods/year ends.

Comparisons with the Business and the Jackspeed Business Assets and the Selected Comparable Companies may be affected, *inter alia,* by differences in their accounting policies. Our analysis has not attempted to adjust for such differences.

In view of the above, it should be noted that any comparisons made with respects to the Selected Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of Business as at the Latest Practicable Date.

We set out in the table below the list of Selected Comparable Companies, together with a brief description of their principal activities which are considered to be broadly comparable to the Business.

Selected Comparable Companies	Listing Location	Brief Business Description
Toyota Boshoku Corporation ("**Toyota Boshoku**")	Tokyo Stock Exchange	Toyota Boshoku manufactures automobile parts and textile products. Toyota Boshoku provides automobile interior components such as seats, door trims, headliners, carpets, and other interior products as well as exterior components such as bumpers and fender liners.
TS Tech Co Ltd ("**TS Tech**")	Tokyo Stock Exchange	TS Tech manufactures seats for two-wheeled and four-wheeled vehicles. TS Tech also produces other automobile accessories.
Daewon San Up Co., Ltd. ("**Daewon**")	Korea Stock Exchange	Daewon designs, manufactures and markets automobile seats. Daewon's products include seats for sports utility, recreational, and passenger vehicles, trucks, and buses.
Wellbiotec Co Ltd ("**Wellbiotec**")	Korea Stock Exchange	Wellbiotec processes and sells leather products. Wellbiotec manufactures and sells car seats, steering wheels, hand bags, leather shoes, and other related leather products. Wellbiotec markets its products worldwide.
Seoyon Co Ltd ("**Seoyon**")	Korea Stock Exchange	Seoyon manufactures automotive interior parts. Seoyon's products include door trims, head linings, package trays, seats, and covering shelves.
Dual Co., Ltd ("**Dual**")	Korea Stock Exchange	Dual manufactures automobile parts. Dual's products include interior fabric, carpet, seat, and airbag cushion.

We set out in the table below the financial ratios of the Company and the Selected Comparable Companies listed on other stock exchanges as at the Latest Practicable Date:

Company Name	Market Capitalisation as at the Latest Practicable Date[1] (S$'million)	EV/ EBITDA[2]	P/E[3]	P/NAV	P/NTA
Toyota Boshoku	3,547.7	2.8[4]	10.2	1.0	1.0
TS Tech	2,819.8	2.1	8.4	0.9	0.9
Daewon	124.7	2.0	3.3	0.4	0.4
Wellbiotech	115.0	n.m.[5]	n.m.[6]	1.1	1.3
Seoyon	96.2	9.0	n.m.[7]	0.2	0.2
Dual	102.7	2.7	4.9	0.5	0.8
High		9.0	10.2	1.1	1.3
Mean		3.7	6.7	0.7	0.8
Median		2.7	6.7	0.7	0.8
Low		2.0	3.3	0.2	0.2
Business (Implied by the Consideration)		10.5	8.3	0.9[8]	0.9[9]

Source: Bloomberg L.P. and published financial statements and/or annual reports of the respective Selected Comparable Companies

Notes:

(1) Based on the exchange rate of JPY1:S$0.0127 and KRW1:S$0.0012 as at the Latest Practicable Date.

(2) EV/EBITDA ratio is calculated based on the most recent twelve months EBITDA of the Selected Comparable Companies.

(3) P/E ratio is calculated based on the earnings as extracted from the latest available and unaudited full year financial statements and audited annual reports of the Selected Comparable Companies.

(4) EV/EBITDA of Toyota Boshoku is calculated based on the latest available unaudited full year financial statements.

(5) The Group recorded a loss before interest, tax, depreciation and amortisation of approximately KRW7,123 million for the past twelve months period ended 30 June 2019. Hence, the Group's EV/EBITDA is negative and not meaningful.

(6) The Group recorded a loss after tax of approximately KRW13,157 million for the past twelve months period ended 30 June 2019. Hence, the Group's P/E ratio is negative and not meaningful.

(7) The Group recorded a loss after tax of approximately KRW16,499 million for the past twelve months period ended 30 June 2019. Hence, the Group's P/E ratio is negative and not meaningful.

(8) The RNAV of Business and Jackspeed Business Assets as at 28 February 2019 is S$53.44 million and accordingly P/RNAV is 0.90. Please refer to Section 5.5(b) of this Letter for further details.

(9) The RNTA of Business and Jackspeed Business Assets as at 28 February 2019 is S$53.00 million and accordingly P/RNTA is 0.91. Please refer to Section 5.5(b) of this Letter for further details.

We note that:

(a) The EV/EBITDA ratio of the Business is 10.5 times as implied by the Consideration, is above the range of the EV/EBITDA ratios of the Selected Comparable Companies.

(b) The P/E ratio of the Business is 8.3 times as implied by the Consideration, is within the range and above the mean and the median of the P/NTA ratios of the Selected Comparable Companies.

(c) The P/NAV and P/RNAV ratios of the Business are both 0.9 times as implied by the Consideration, is within the range and above with the mean and median of the P/NAV ratios of the Selected Comparable Companies. Please refer to Section 5.5(b) of this Letter for details on P/RNAV.

(d) The P/NTA and P/RNTA ratios of the Business are both 0.91 times as implied by the Consideration, is within the range and above the mean and median of the P/NTA ratios of the Selected Comparable Companies. Please refer to Section 5.5(b) of this Letter for details on P/RNTA.

5.2.2 Assessment of the Consideration against Market Capitalisation of the Company

We have compared the Consideration over the market capitalisation implied by the volume weighted average price (**"VWAP"**) of Shares for the selected reference periods as set out in the table below:

Reference Date / Period	VWAP	Market Capitalisation[(1)]	Premium / (Discount) of Consideration over Market Capitalisation (%)
Periods prior to the Last Trading Day			
Last 1 month	S$0.134	S$40,334,305	19.01
Last 3 months	S$0.134	S$40,334,305	19.01
Last 6 months	S$0.135	S$40,635,308	18.12
Last 12 months	S$0.160	S$48,160,365	(0.33)

Source: Bloomberg L.P.

Notes

(1) The market capitalisation is calculated by multiplying the number of Shares in issue (excluding treasury shares) of 301,002,279 Share with the VWAP of the respective periods.

We note that the Consideration represents a premium of 19.01%, 19.01% and 18.12% to the market capitalisation for the 1-month, 3-month and 6-month periods prior to the Last Trading Day and at a discount of 0.33% to the market capitalisation for the 12-month period prior to the Last Trading Day.

We further note that the Consideration represents a discount of 9.76% and 4.51% to the historical NAV of S$53.19 million and S$50.27 million as at 28 February 2019 and 31 August 2018 respectively.

5.3 Rationale for the Proposed Disposal

We note that rationale for the Proposed Disposal as stated in Section 2.4 of the Circular is as follows. Shareholders are advised to read Section 2.4 of the Circular carefully.

"(a) With increasing uncertainties in the global economic outlook, particularly in light of the ongoing trade wars between China and the United States and heightened geopolitical tensions around the world, the Directors believe that the Proposed Disposal presents a good opportunity to unlock value for the Shareholders. Following completion of the Proposed Disposal and subject to the necessary regulatory and corporate approvals, it is currently the Directors' intention to distribute approximately S$36,572,000 of the Net Proceeds to Shareholders by way of the Proposed Capital Reduction and Proposed Cash Distribution, and to set aside the balance Net Proceeds to explore the acquisition of new assets or businesses to satisfy the SGX-ST's requirement for a new listing, subject to the restrictions under Rule 1018 of the Listing Manual. For further details on the Proposed Capital Reduction and Proposed Cash Distribution, please refer to Paragraphs 2.7 and 3 of this Circular. In the event the Company does not acquire new assets or businesses to satisfy SGX-ST's requirement for a new listing within the period stipulated under Rule 1018 of the Listing Manual, all the balance Net Proceeds will also be returned to Shareholders. Accordingly, the Directors believe that the Proposed Disposal is in the interests of the Company and Shareholders as it presents the Company with an opportunity to exit the increasingly challenging business environment and immediately realise its investment in the Business. The Company will make further announcements on the specific uses of the Net Proceeds in greater detail at the appropriate juncture.

(b) Although the Group's profits had improved over the past years, there are uncertainties on its sustainability, due to the following reasons:

(i) the Group's major contract with an original equipment manufacturer ("OEM"), which contributed approximately 45% of the Group's gross profit for FY2019, is ending in 2021. While the OEM has awarded the Group a new contract from 2022 to 2029, the new contract is expected to generate less than half of the gross profit under the existing expiring contract. There can be no assurance that the Group will be able to secure contracts from other customers to make up the shortfall;

(ii) a capital expenditure budget of S$9,000,000 has been estimated for upgrading and expanding the Group's worn out production facility in Thailand. It will require the Group to secure more business to cover depreciation and interest costs if loans are taken to sustain and grow profit;

(iii) the contract to supply upholstery leather kits to 17 countries in Europe, as announced on 16 March 2018, has yet to see significant contributions to the Group's revenue. The Group is currently supplying to two out of the 17 countries and is working to cover more countries;

(iv) government policies to control the car population in Singapore and the emphasis to go car-lite by beefing up the connectivity between different modes of public transports will limit the growth of car population in Singapore, thereby affecting future performance of the Group as Singapore is the Group's predominant market for its trading, financing and rental of motor vehicle business; and

(v) the annual cost reduction practice by the Group's OEM customer has added pressure on the Group's profit margin. The increasingly difficult business environment, which the ongoing trade wars between China and the United States has contributed to, will potentially weigh in on such cost reduction requests from the Group's OEM customer.

(c) *Prior to Mr. Yap approaching the Company for the Proposed Disposal, the Company had not received any proposal or indication of interest from third parties for the Company or its Business. Subsequent to the announcement of the Proposed Disposal on 4 June 2019, the Company has also not received any competing interest nor bid from third parties. Based on the Directors' assessment, taking into account the factors cited herein, it is not probable that any such competing interest or bid on better terms is likely to arise, and the Proposed Disposal should be put before Shareholders for consideration and voting.*

(d) The Company has been placed on the watch-list of the SGX-ST ("Watch-List") since 5 June 2017 under the minimum trading price criteria. While steps have been undertaken to comply with the requirements to exit the Watch-List, such as share consolidations, the Board believes it is challenging for the current business of the Group to support a market capitalisation of more than S$40 million (a requirement to exit the Watch-List) on a sustainable basis. As such, the Proposed Disposal is part of the Company's overall longer-term plan to exit the Watch-List and the Board believes the Proposed Disposal will pave the way for the Company to acquire a more sizeable business.

(e) The terms of the Proposed Disposal which provide for the Consideration to be settled with a cash payment of S$48,000,000 and with no business warranties required from the Company is attractive, which the Board believes will enhance the Company's options and bargaining position when identifying viable and sizeable businesses to exit the Watch-List.

(f) In addition, the Board has also considered the premium or discount which the Net Proceeds per Share represents over the price of the Shares traded on the SGX-ST on the following date and over the following periods:

Reference Date / Period	***Reference Price[(2)]***	***Premium / (Discount)***
Last traded price as at 11 October 2019, being the Latest Practicable Date	*S$0.124[(3)]*	*28%*
Last traded price on 3 June 2019, being the Last Trading Day	*S$0.132*	*20%*
VWAP[(1)] per Share for the one-month period prior to and including the Last Trading Day	*S$0.134*	*18%*
VWAP[(1)] per Share for the three-month period prior to and including the Last Trading Day	*S$0.134*	*18%*
VWAP[(1)] per Share for the six-month period prior to and including the Last Trading Day	*S$0.135*	*18%*
VWAP[(1)] per Share for the 12-month period prior to and including the Last Trading Day	*S$0.160*	*(1)%*

Notes:

(1) The figures are based on data extracted from Bloomberg L.P..

(2) Rounded to the nearest three decimal places.

(3) Reference price as at 3 October 2019, being the last market day on which the Shares were traded prior to the Latest Practicable Date.

Based on the reasons above, notwithstanding that there will be a loss on the Proposed Disposal, the Board believes the Consideration reflects a fairly good price for the Business and the Jackspeed Business Assets in view of the prevailing market conditions, including in particular the ongoing trade wars between China and the United States and heightened geopolitical tensions around the world as highlighted in Paragraph 2.4(a) of this Circular, and a good opportunity to unlock value for Shareholders. In addition, while the Proposed Disposal will result in the Company ceasing to have any operating business and becoming a cash company, the Directors are of the view that being a cash company may facilitate the Company's attempt to acquire potential target businesses and assets via a reverse takeover to satisfy the SGX-ST's listing requirements and to comply with the SGX-ST's requirements for a cash company. Accordingly, the Board believes that the Proposed Disposal is in the interests of the Company and Shareholders. The Company is considering its options in relation to other business ventures and will provide more information to Shareholders at the appropriate juncture."

5.4 Financial effects of the Proposed Disposal

Information relating to the financial effects of the Proposed Disposal has been extracted from Section 4, in particular Section 4.1, of the Circular and set out in italics below. Shareholders are advised to read Section 4.1 of the Circular on the financial effects of the Proposed Disposal carefully.

"The pro forma financial effects of the Proposed Transactions set out below are purely for illustration purposes only and do not necessarily reflect the actual results and financial position of the Group and of the Company following completion of the Proposed Transactions.

The pro forma financial effects of the Proposed Transactions on the NTA per Share and EPS of the Group are prepared based on the Audited Group FY2019 Results, and are subject to the following assumptions:

(i) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Transaction was completed on 28 February 2019;

(ii) the financial effect on the consolidated EPS is computed based on the assumption that the Proposed Transaction was completed on 1 March 2018; and

(iii) after taking into account the Transaction Expenses.

4.1 Financial Effects of the Proposed Disposal

(a) NTA per Share

On the bases and assumptions set out above, the pro forma effect of the Proposed Disposal on the consolidated NTA per Share is as follows:

	Before the Proposed Disposal	***After the Proposed Disposal***
NTA (S$'000)	*52,748*	*47,780*
Number of Shares	*301,002,279*	*301,002,279*
NTA per Share (cents)	*17.52*	*15.87*

(b) EPS

On the bases and assumptions set out above, the pro forma effect of the Proposed Disposal on the consolidated EPS of the Company is as follows:

	Before the Proposed Disposal	***After the Proposed Disposal***
Profit/(Loss) after tax attributable to Shareholders (S$'000)	*5,776*	*(5,409)*
Number of Shares	*301,002,279*	*301,002,279*
EPS (cents)	*1.92*	*(1.80)*

We note that the pro forma financial effects of the Proposed Disposal on NTA per Share and EPS are both dilutive.

5.5 Book Value of the Business and the Jackspeed Business Assets

(a) NAV or NTA

Based on the Audited Group FY2019 Results, the book value (**"NAV"**) and the net tangible asset (**"NTA"**) value of the Business and the Jackspeed Business Assets, adjusted for non-controlling interest, were approximately S$53.19 million and S$52.75 million respectively.

The Consideration of S$48 million represents a discount of approximately 9.75% and 9.00% to the NAV and NTA of the Business and Jackspeed Business Assets based on the Audited Group FY2019 Results.

(b) Revalued NAV or Revalued NTA

In connection with the Proposed Disposal, the Company had commissioned the Valuers to carry out independent valuations of the properties as at 11 June 2019 and 14 June 2019 which consist of the following:

Description	**Location**	**Market Value (S$ million)**	**Revaluation Surplus/(Deficit)[1] (S$'000)**
Flatted Factory Unit	221 Henderson Road #06-15 Henderson Building Singapore 159557	1.88	(197.23)
Freehold Vacant Land	Amata Nakorn Industrial Estate, Tambol Panthong, Amphur Panthong, Chonburi 20160, Thailand	2.00[2]	170.61
Double Storey Terraced Shophouse	No. 118 Jalan 1 Taman Sri Kluang, 86000 Kluang, Johor Darul Takzim, Malaysia	0.23[2]	107.82
Double Storey Detached Factory annexed with a Three Storey Office Buildings and Other Ancillary Structures	No. 21 Jalan 20 Taman Sri Kluang, 86000 Kluang, Johor Darul Takzim, Malaysia	1.25[2]	58.46
Total		**5.36**	**139.66**

Notes:

(1) The revaluation surplus/(deficit) is calculated as the difference between the market values of the properties in their existing state and their corresponding book values as at the Valuation Date.

(2) The market values are converted from the value in respective local currencies into Singapore dollars equivalent based on the respective exchange rates as at Latest Practicable Date.

Shareholders should read the above in conjunction with the Valuation Reports, the summaries of which are set out in Appendix B to the Circular.

We further note that one of the Group's subsidiary, Jackspeed Industries Sdn Bhd, had entered into a sales and purchase agreement with Penta Century Sdn Bhd on 25 January 2019 for the sale of land held under title no. H.S. (D) 115335 PT 635, Bandar Gurun, Daerah Kuala Muda, Negeri Kedah (**"Bandar Gurun Land"**) for a consideration of Malaysian Ringgit 2.80 million. The net proceeds from the sale, adjusted for the estimated transaction costs, is approximately Malaysian Ringgit 2.65 million or equivalent to approximately S$869,000. The book value of Bandar Gurun Land as at 28 February 2019 is approximately S$763,000. Accordingly, the surplus arising from the sale of Bandar Gurun Land is estimated to be approximately S$106,000 (**"Adjusted Surplus"**).

Save as above, the other assets of the Business and the Jackspeed Business Assets have not been revalued for the purposes of determining the revalued NAV and revalued NTA.

The NAV and NTA of the Business and the Jackspeed Business Assets as at 28 February 2019 adjusted for (i) change in valuation of the Adjusted Properties (**"Revaluation Surplus"**) and (ii) Adjusted Surplus, referred to as "**RNAV**" and "**RNTA**" respectively, is approximately S$53.44 million and S$53.00 million respectively.

	(S$ million)
NAV of the Business and Jackspeed Business Assets as at 28 February 2019	53.19
NTA of the Business and Jackspeed Business Assets as at 28 February 2019	52.75
Add: Revaluation Surplus	0.14
Add: Adjusted Surplus	0.11
RNAV of the Business and Jackspeed Business Assets as at 28 February 2019	**53.44**
Discount of the Consideration over the RNAV of the Business and the Jackspeed Business Assets as at 28 February 2019	10.18%
Price-to-RNAV (**"P/RNAV"**) ratio as implied by the Consideration	0.90 times
RNTA of the Business and Jackspeed Business Assets as at 28 February 2019	**53.00**
Discount of the Consideration over the RNTA of the Business and the Jackspeed Business Assets as at 28 February 2019	9.43%
Price-to-RNTA (**"P/RNTA"**) ratio as implied by the Consideration	0.91 times

Based on the above, we note that the Consideration represents a discount of 10.18% and 9.43% to the RNAV and RNTA respectively.

Save for the adjustments relating to the revaluation of the Appraised Properties and the sale of the Bandar Gurun Land as disclosed above, we have also considered whether there are any tangible assets of the Business and the Jackspeed Business Assets which should be valued at an amount that is materially different from that which were recorded in the statement of financial position of the Business that are likely to impact the NAV and/or the NTA as at 28 February 2019. In this regard, the Directors and Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:

(a) There are no material fluctuations or changes to the Business since 1 March 2019 and up to the Latest Practicable Date, which would result in a material impact on the overall financial performance of the Business;

(b) There are no material differences between the realisable value of the Business and Jackspeed Business Assets and their respective book values as at 28 February 2019 which would result in a material impact on the NAV and/or NTA of the Business and the Jackspeed Business Assets;

(c) There are no liabilities which values would be materially different from those recorded relating to the Business and the Jackspeed Business Assets;

(d) There are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV and/or NTA of the Business and the Jackspeed Business Assets;

(e) there are no litigation, claims or proceedings pending or threatened against the Business or any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Business; and

(f) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Business in accordance with the Singapore Financial Reporting Standards and which have not been disclosed and where such intangible assets would have had a material impact on the overall financial position of the Business and Jackspeed Business Assets.

6. OTHER FACTORS RELEVANT TO OUR EVALUATION

6.1 Use of Proceeds

The use of proceeds for the Proposed Disposal which have been set out in Section 2.7 of the Circular are extracted and reproduced in italics below:

"The net proceeds from the Proposed Disposal, after deducting the Transaction Expenses, is estimated to be approximately S$47,780,000 ("Net Proceeds").

As mentioned in Paragraph 2.4 of this Circular, following the completion of the Proposed Disposal and subject to the necessary regulatory and corporate approvals, it is currently the Directors' intention to distribute approximately S$36,572,000 of the Net Proceeds to Shareholders by way of the Proposed Capital Reduction and Proposed Cash Distribution, and to set aside the balance Net Proceeds to explore the acquisition of new assets or businesses to satisfy the listing requirements of the SGX-ST, subject to the restrictions under Rule 1018 of the Listing Manual. In the event the Company does not acquire new assets or businesses to satisfy SGX-ST's requirement for a new listing within the period stipulated under Rule 1018 of the Listing Manual, all the balance Net Proceeds will also be returned to Shareholders. Please refer to Paragraphs 3 and 5 of this Circular for further details.

The Board will announce the specific uses for the proceeds arising from the Proposed Disposal in greater detail at the appropriate juncture."

6.2 Uncertainties on Group's Profitability

We note from the rationale of the Proposed Disposal that whilst the Group's profit has improved in recent years, the Company has highlighted certain factors that may affect the Group's profitability going forward. In particular:

(a) one of the Group's major OEM contract that contributed approximately 45% of the Group's gross profit for FY2019 is ending in 2021 and the Group expects sales volume to decline;

(b) a significant capital expenditure of S$9 million is required to upgrade the Group's production facility in Thailand; and

(c) governmental policies in Singapore to control car population is expected to limit the growth of the Group's business in Singapore, being a key market segment.

Shareholders are advised to read Section 2.4 of the Circular carefully.

6.3 Watch-List Status

The Company has been placed on the Watch-List since 5 June 2017 under the minimum trading price criteria. The Company has up to 4 June 2020 to satisfy the criteria to exit the Watch-List. We note that whilst the Company has taken steps to comply with the requirements to exit the Watch-List, the Board believes that it is challenging for the Group's current business to support a market capitalisation of at least S$40 million on a sustainable basis. As such, the Proposed Disposal is part of the Company's longer-term plan to pave way for the acquisition of a more sizeable business to facilitate the Company's exit from the Watch-List.

6.4 Cash Company

We note that upon the completion of the Proposed Disposal, the Company will cease to have any operating subsidiaries or business and will be deemed as a cash company under Rule 1018 of the Listing Manual. As a result, the Company will have to comply with the requirements under Rule 1018 of the Listing Manual. We have reproduced the extracts of the requirements under Rule 1018 of the Listing Manual which have been set out in Section 5.2 of the Circular:

"Rule 1018 of the Listing Manual

Shareholders are to note that under Rule 1018, if the assets of the Company consist wholly or substantially of cash or short-dated securities, its securities will normally be suspended. Accordingly, upon completion of the Proposed Disposal, the Company will become a cash company and its Shares will be suspended. The suspension will remain in force until the Company has a business which is able to satisfy the SGX-ST's requirements for a new listing, and all relevant information has been announced. Upon completion of the Proposed Disposal, the Company must:

(a) place 90.0% of its cash and short-dated securities (including existing cash balance and the Consideration arising from the Proposed Disposal) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore ("Escrow Account"). The amount that is placed in the Escrow Account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by Shareholders and pro-rata distributions to Shareholders; and

(b) provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business to the market via SGXNET.

Taking the above compliance into account, the SGX-ST may allow continued trading in the Shares on a case-by-case basis, subject to:

(c) contractual undertakings from the Company's directors, controlling shareholders, chief executive officer and their Associates to observe a moratorium on the transfer or disposal of all their interests, direct and indirect, in the Shares ("Undertakings"); and

(d) the period of the moratorium must commence from the date Shareholders approve the Proposed Disposal, up to and including the completion date of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing.

The Company will seek the Undertakings from the Company's directors, controlling shareholders, chief executive officer and their Associates before the EGM, and in the event the Company is unable to secure the Undertakings before the EGM, the Company will make an application to the SGX-ST for the suspension of the trading of Shares in accordance with Rule 1303, such suspension to take effect upon completion of the Proposed Disposal, and the Company will make an announcement on SGXNET to update Shareholders accordingly. The Company will also provide an update to Shareholders at the EGM on the status of the procurement of the Undertakings and the suspension of trading of its Shares, if applicable.

The SGX-ST will proceed to remove the Company from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Company may apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. The extension is subject to the Company providing information to investors on its progress in meeting key milestones in the transaction. In the event the Company is unable to meet the milestones or complete the relevant acquisition despite the time extension granted, no further extension will be granted and the Company will be removed from the Official List and a cash exit offer in accordance with Rule 1309 of the Listing Manual should be made to Shareholders within six months.

Upon completion of the Proposed Disposal, the Company will place 90.0% of its cash and short-dated securities (including existing cash balance and the Consideration arising from the Proposed Disposal) in the Escrow Account in compliance with Rule 1018 of the Listing Manual. Any one person from Group A, comprising Mr. Toh Tiong San and Mr. Chin Yew Choong David, who are both independent directors of the Company and members of the Audit Committee, and any one person from Group B, comprising Mr. Yap Kian Peng, the Executive Deputy Chairman and Chief Executive Officer of the Company, and Ms. Chua Sze Chyi, the Executive Director and Group Financial Controller of the Company (collectively, "Authorised Persons"), shall be authorised to jointly enter into agreements with the escrow agent and/or give any notices or take any action on behalf of the Company in connection with the amounts placed in the Escrow Account, provided that no withdrawal of monies from the Escrow Account shall be made by the Company without having obtained the necessary approvals from the SGX-ST for such withdrawal.

In line with the rationale set out in Paragraph 2.4 of this Circular, the Company is currently considering various options available after it becomes a cash company on completion of the Proposed Disposal. Shareholders will be informed in due course once a decision has been made. Although the Company will actively pursue the acquisition of new businesses and assets following completion of the Proposed Disposal, there is no assurance that this will be achieved or achieved within the time frame prescribed in Rule 1018(2) of the Listing Manual, and the Company may be delisted if the Company is unable to meet the requirements for a new listing."

7. RECOMMENDATION

In arriving at our recommendation in relation to the Proposed Disposal, we have reviewed and evaluated factors, including the views and representations of the Directors and Management, which we deem to have significant relevance to our assessment.

In arriving at our conclusion, we have also taken into account the following key factors, which are described in more detail in Section 5 and Section 6 of this Letter:-

(a) the financial performance of the Business;

(b) the financial assessment of the Consideration for the Proposed Disposal;

(c) the rationale for the Proposed Disposal;

(d) the financial effects of the Proposed Disposal;

(e) book value of the Business and the Jackspeed Business Assets; and

(f) other factors relevant to our evaluation.

Having considered the above and subject to the assumptions and qualifications set out in this Letter, we are of the opinion that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders. Accordingly, we advise the Independent Directors to recommend that the Independent Shareholders vote in favour of the Proposed Disposal to be proposed at the EGM.

The Independent Directors should note that our recommendation is based upon market, economic industry and other conditions prevailing as at the Latest Practicable Date, and information made available to us as at the Latest Practicable Date.

This Letter is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Proposed Disposal. Their recommendations to the Independent Shareholders in respect of the Proposed Disposal shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM and for the purpose of the Proposed Disposal, at any time in any manner without our prior written consent in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
CEL Impetus Corporate Finance Pte. Ltd.

Ng Boon Eng
Chief Executive Officer

Ashton Chang
Senior Manager, Corporate Finance

OrangeTee®

VALUATION CERTIFICATE

Our Ref	:	HCL/HKY/195429/haz
Date of Report	:	11 June 2019
Date of Inspection	:	6 June 2019
Valuation For	:	Jackspeed Corporation Limited
Purpose of Valuation	:	To determine the market value of the subject property.
Address of Property	:	221 Henderson Road #06-15 Henderson Building Singapore 159557
Type of Property	:	A flatted factory unit located on the 6th storey of an 8-storey block within an industrial development known as Henderson Building.
Legal Description	:	Lot No. U37458X Mukim 1.
Tenure	:	Estate in perpetuity.
Condition	:	Fairly good.
Master Plan Zoning (2014 Edition)	:	Business 1.
Note	:	The official Legal Requisition for Road Line Plan and Drainage Reserves have not been applied for the subject property as this is outside our terms of reference. Our valuation is therefore made on the assumption that the property is not adversely affected by any approved/proposed road/drainage schemes. It is recommended that the valuation be referred back to us for a review should your solicitors subsequently discover the existence of any such schemes after legal requisitions with the various competent authorities have been completed by them.
Strata Floor Area	:	228 sq.m. - according to our search with the Singapore Land Authority's Integrated Land Information Service.

OrangeTee®

Year of Completion	:	Circa 1980s.
Brief Description	:	Construction of the building is of reinforced concrete framed structure with brick infill walls, reinforced concrete floors, reinforced concrete staircases and reinforced concrete roofs for the subject building and anodised/ aluminium framed glass windows and timber doors for the subject property. Finishes include vinyl and carpeted tiled flooring; emulsion paint, glass panels and partition wall boards; and emulsion paint, ceiling boards and false ceiling with downlights. The subject development is served by 4 firemen/ passenger lifts, 4 cargo lifts and supplemented by reinforced concrete staircases. Loading and unloading bays, male/ female toilets, fire protection equipment and ample car/ lorry parking lots are also provided.
Method of Valuation	:	Direct Comparison Method.
Valuation	:	Date of Valuation : 6 June 2019 **Market Value : S$1,880,000/-** (Singapore Dollars One Million Eight Hundred And Eighty Thousand Only)
Limiting Conditions	:	Please refer to attachment.

Yours faithfully
ORANGETEE ADVISORY PTE LTD

HONG CHOON LEARN
B.Sc (Real Estate Management) Hons
Appraiser's License No. AD041-2008905I
MSISV

Enc

C.I.T. Property Consultants Co., Ltd.
C.I.T. Appraisal Co., Ltd.

17/F Ploenchit Center
2 Sukhumvit Road, Klongtoey
Bangkok 10110, Thailand

TEL 662 656 7000
FAX 662 656 7111

VALUATION CERTIFICATE

Date	:	14th June 2019
Our Reference	:	2019-0031-E
Valuation Prepared for	:	J.V. (Thailand) Co., Ltd.
Purpose of Valuation	:	for circulation with shareholders of the parent company Jackspeed Corporation Limited, which is listed on the Singapore Exchange
Date of Valuation	:	11th June 2019
Address of Property	:	Amata Nakorn Industrial Estate, Tambol Panthong, Amphur Panthong, Chonburi 20160 Thailand (GPS coordinates: N13.446172, E101.079179)
Type of Property	:	Industrial land plot assumed vacant
Brief Description	:	The land is irregular in shape, though is measured to be 42 metres wide and 100 metres deep. It is located within phase 8 of the Amata Nakorn Industrial estate; which to date has not been officially undertaken by Amata Corporation PCL, the owner of the industrial estate. Therefore the Property does not benefit from a number of the benefits of being officially sold by Amata, though does have some indirect benefits of being in close proximity.
Legal Description	:	Title Deed Numbers: 8899, 53778 and 8897
Tenure	:	Freehold
Registered Owner(s)	:	J.V. (Thailand) Co., Ltd.
Land Area	:	land area is equal to 6.8575 rai, or 10,972 sq m.
Condition	:	The Property is assumed to be vacant.
Neighbourhood	:	The immediate area around the Property is utilised for industrial purposes.
Qualification	:	The desktop valuation has been prepared with the understanding that the information provided is complete and accurate. You agreed that the desktop valuation could be based on the information supplied to us without further detailed enquiries as to the matters covered. We take no responsibility for any misstatement, omission or misrepresentation made in the information supplied.
Basis of Valuation	:	Market Value
Methods of Valuation	:	Market Approach

C.I.T. Property Consultants Co., Ltd.
C.I.T. Appraisal Co., Ltd.

17/F Ploenchit Center
2 Sukhumvit Road, Klongtoey
Bangkok 10110, Thailand

TEL 662 656 7000
FAX 662 656 7111

Assumptions : We have relied upon information provided by the Client with respect to the Property details. We have, therefore, assumed that all information provided by the Client in this respect is correct and an accurate representation. In the event that the information is subsequently revised, a revaluation will be necessary.

We assume that the subject Property is free from any encumbrances that may result in any litigation arising from any non-transferable orders, construction contracts or any other contracts and access limitations that may impact the market value and the construction costs.

We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect the value, whether existing or otherwise, unless otherwise stated.

We have assumed that the Property is vacant and clear of any built elements.

We have assumed that the Property is connected to the mains electricity supply, water supply, telecommunications network and public drainage.

Date of Valuation : 11th June 2019

VALUATION

In view of the foregoing and taking into consideration the prevailing market conditions as at, we are of the opinion that the values of the subject property, is as follows:

Market Value of the Property	:	**THB 44,400,000** **(Forty Four Million Four Hundred Thousand Thai Baht)**

Yours faithfully,

For and on behalf of
C.I.T. Appraisal Co., Ltd.

Ratchaphum Jongpakdee MRICS

Deputy Managing Director
RICS Registered Valuer
Valuer Extraordinary Member of TVA & VAT

"This document is subject to the attached Caveats & Assumptions in our Valuation Report"

Colliers International Consultancy & Valuation
(Singapore) Pte Ltd
12 Marina View
#19-02 Asia Square Tower 2
Singapore 018961
RCB No. 198105965E

MAIN +65 6223 2323
EMAIL Singapore.Valuation@colliers.com

VALUATION CERTIFICATE

Address of Property	:	No. 118, Jalan 1 Taman Sri Kluang 86000 Kluang Johor Darul Takzim, Malaysia
Our Reference	:	2019/C5/0002/CORP
Valuation Prepared for	:	Jackspeed Corporation Limited
Purpose of Valuation	:	For internal management purpose
Legal Description*	:	Lot No. 59879 (formerly PTD 48907), Mukim and District of Kluang, State of Johor Darul Takzim
Tenure*	:	Freehold
Registered Owner*	:	Jackspeed Leather Special Manufacturer (M) Sdn Bhd
Category of Land Use*	:	'Bangunan'
Brief Description	:	The Property comprises an intermediate double storey terraced shopshouse. The Property is located within Taman Sri Kluang, Johor, Malaysia – an established development in Kluang town that accommodates residential, commercial and industrial properties. The Property bears direct frontage onto Jalan 1 and is located about 5 kilometres to the north-west of Kluang town centre.
Land Area*	:	348 square metres (about 3,746 square feet)
Approximate Gross Floor Area**	:	Approximately 681 square metres (about 7,330 square feet)
Condition	:	The buildings are about 22 years of age and is noted to be in a fair decorative state of repair as at the time of inspection.
Occupancy	:	Owner occupied.
Planning Provision	:	The subject property is designated for commercial use as noted in the title deed.
Basis of Valuation	:	The basis of valuation is the Market Value.
Valuation Approach	:	In arriving at the Market Value of the Property, we have adopted the Comparison Approach.
Date of Valuation	:	11 June 2019
Market Value	:	**RM700,000/-** **(Ringgit Malaysia: Seven Hundred Thousand Only)**

No. 118, Jalan 1
Taman Sri Kluang, 86000 Kluang
Johor Darul Takzim, Malaysia | 2
COLLIERS INTERNATIONAL
OUR REF : 2019/C5/0002/CORP

** as extracted from the computer printout copy of the title document obtained from the Johor Land and Mines Office in Johor Bahru*
***as provided by the client and subject to survey*

For and on behalf of
Colliers International Consultancy & Valuation (Singapore) Pte Ltd

Sr MELISSA FELIX LEE, *MRISM MRICS MPEPS MMIPFM MBVAM*
Registered Valuer (V-1081)
Valuation and Advisory Services

MEL/st

This valuation certificate is subject to the Caveats & Assumptions attached to the Valuation Report.

Colliers International Consultancy & Valuation
(Singapore) Pte Ltd
12 Marina View
#19-02 Asia Square Tower 2
Singapore 018961
RCB No. 198105965E

MAIN +65 6223 2323
EMAIL Singapore.Valuation@colliers.com

VALUATION CERTIFICATE

Address of Property	:	No. 21, Jalan 20 Taman Sri Kluang 86000 Kluang Johor Daruk Takzim, Malaysia
Our Reference	:	2019/C5/0003/CORP
Valuation Prepared for	:	Jackspeed Corporation Limited
Purpose of Valuation	:	For internal management purpose
Legal Description*	:	Lot No. 53858 (formerly PTD 50053), Mukim and District of Kluang, State of Johor Darul Takzim
Tenure*	:	Freehold
Registered Owner*	:	Jackspeed Leather Special Manufacturer (M) Sdn Bhd
Category of Land Use*	:	'Perusahaan/Perindustrian'
Brief Description	:	The Property comprises a double storey detached factory annexed with a three storey office building and other ancillary structures. The Property is located within Taman Sri Kluang, Johor, Malaysia – an established development in Kluang town that accommodates residential, commercial and industrial properties. The industrial area of Taman Sri Kluang comprises detached factories of developer designed and vacant industrial plots. The Property bears direct frontage onto Jalan 20 and is located about 5 kilometres to the north-west of Kluang town centre.
Land Area*	:	4,635 square metres (about 49,891 square feet)
Approximate Gross Floor Area**	:	Approximately 4,650 square metres (about 50,057 square feet)
Condition	:	The buildings are about 22 years of age and is noted to be in a fair decorative state of repair as at the time of inspection.
Occupancy	:	Owner occupied.
Planning Provision	:	The subject property is designated for industrial use as noted in the title deed. The buildings have been issued with the Certificate of Fitness for Occupation (CFO) and a Certificate of Completion and Compliance (CCC) (for the addition and renovation of the whole premises) by Majlis Perbandaran Subang Jaya bearing Ref No. MPSJ 10303 and LAM/S/No. 4427 dated 24th April 1999 and 3rd May 2012, respectively. ** as extracted from the computer printout copy of the title document obtained from the Johor Land and Mines Office in Johor Bahru* ***as provided by the client and subject to survey*

No. 21, Jalan 20
Taman Sri Kluang, 86000 Kluang
Johor Daruk Takzim, Malaysia | 2
COLLIERS INTERNATIONAL
OUR REF : 2019/C5/0003/CORP

Basis of Valuation	:	The basis of valuation is the Market Value.
Valuation Approach	:	In arriving at the Market Value of the Property, we have adopted the Cost Approach.
Date of Valuation	:	11 June 2019
Market Value	:	**RM3,800,000/-** **(Ringgit Malaysia: Three Million and Eight Hundred Thousand Only)**

For and on behalf of
Colliers International Consultancy & Valuation (Singapore) Pte Ltd

Sr MELISSA FELIX LEE, *MRISM MRICS MPEPS MMIPFM MBVAM*
Registered Valuer (V-1081)
Valuation and Advisory Services

MEL/st

This valuation certificate is subject to the Caveats & Assumptions attached to the Valuation Report.

JACKSPEED CORPORATION LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as used in the circular dated 24 October 2019 issued by Jackspeed Corporation Limited.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **JACKSPEED CORPORATION LIMITED** (the "**Company**") will be held on 15 November 2019 at 9.30 a.m. at Copenhagen Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION:

THE PROPOSED DISPOSAL OF THE ENTIRE BUSINESS AND BUSINESS ASSETS OF THE COMPANY AS AN INTERESTED PERSON TRANSACTION AND A MAJOR TRANSACTION

That:

(1) approval be and is hereby given for the Proposed Disposal, on the terms and subject to the conditions set out in the SPA, being an interested person transaction and a major transaction for the purposes of Chapters 9 and 10 of the Listing Manual respectively; and

(2) any of the Directors be and are hereby authorised to complete and do all such acts and things (including but not limited to approving, amending, modifying, supplementing and executing all such documents as may be required), as he may consider necessary, desirable, expedient or in the interests of the Company to give effect to this Ordinary Resolution and/or the Proposed Disposal as he may deem fit.

Note to the Ordinary Resolution:

(1) Pursuant to Rule 919 of the Listing Manual, Mr. Yap Kian Peng and his Associates will abstain from exercising any voting rights in relation to the Ordinary Resolution.

SPECIAL RESOLUTION:

THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

That, subject to and contingent upon the passing of the Ordinary Resolution, approval be and is hereby given to the Company for the following actions:

(1) the issued and paid-up share capital of the Company be reduced by approximately S$36,572,000 from S$36,865,088 (as at the Latest Practicable Date) to S$293,088 and returning the sum of approximately S$36,572,000 to the Shareholders, being registered holders of the Shares other than the Company, except that where the registered holder is The Central Depository (Pte) Limited, the term "**Shareholders**" shall mean the Depositors (other than the Company) as defined under the Companies Act, on the basis of approximately S$0.1215 for each issued ordinary share in the capital of the Company held by a Shareholder; and

(2) any of the Directors be and are hereby authorised to complete and do all such acts and things (including but not limited to approving, amending, modifying, supplementing and executing all such documents as may be required), as he may consider necessary, desirable, expedient or in the interests of the Company to give effect to this Special Resolution and/or the Proposed Capital Reduction and Proposed Cash Distribution as he may deem fit.

By order of the Board

Chua Sze Chyi / Chew Kok Liang
Joint Company Secretaries

24 October 2019

Notes:

1. (a) A member of the Company (other than a Relevant Intermediary*), entitled to attend, speak and vote at a meeting of the Company, is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. Where such member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his or her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

   (b) A Member who is a Relevant Intermediary* is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting of the Company may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

2. A proxy need not be a member of the Company.

3. A Relevant Intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 221 Henderson Road, #06-15 Henderson Building, Singapore 159557 not less than 48 hours before the time appointed for holding the Meeting.

*A Relevant Intermediary is:-

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary 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 (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or its service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (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 (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 (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.

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JACKSPEED CORPORATION LIMITED

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

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name) _____ (NRIC/Passport/Company Registration Number)

of _____ (Address)

being a member/members of **JACKSPEED CORPORATION LIMITED** (the "**Company**") hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

or failing him/her, the Chairman of the Extraordinary General Meeting of the Company ("**EGM**") as my/our proxy/proxies, to attend and vote for me/us on my/our behalf at the EGM to be held on 15 November 2019 at 9.30 a.m. at Copenhagen Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the EGM as indicated with an "**X**" hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

Resolution	**No. of votes 'For'***	**No. of votes 'Against'***
ORDINARY RESOLUTION The Proposed Disposal		
SPECIAL RESOLUTION The Proposed Capital Reduction and Proposed Cash Distribution		

* If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate the number of votes.

Dated this _____ day of _____ 2019

Total number of Shares in:	**Number of Shares**
(a) CDP Register	
(b) Register of Members	

_____

Signature of Member(s) / Common Seal of
Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

(1) Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

(2) A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

(3) Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

(4) A Relevant Intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

(5) Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

(6) The instrument appointing a proxy or proxies 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 the Meeting.

(7) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

(8) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

(9) An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

*A Relevant Intermediary is:-

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 24 October 2019.

General:-

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.