

JACKSPEED CORPORATION LIMITED

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

COMPLETION OF THE PROPOSED ACQUISITION OF SHARES IN WENUL ASSETS (INDUSTRIAL) PTE. LTD.

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Jackspeed Corporation Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) refers to the announcements made by the Company dated 8 May 2016, 31 May 2016, 7 June 2016, 13 June 2016 and 29 July 2016 (the “**Announcements**”) in relation to, *inter alia*, the proposed acquisition (“**Proposed Acquisition**”) by the Company and two (2) other individuals (“**Individual Purchasers**” and together with the Company, the “**Purchasers**”) from Lim Wee Li (“**Vendor**”) of 100,000 ordinary shares (“**Sale Shares**”) in the share capital of Wenul Assets (Industrial) Pte. Ltd. (“**Target**”), representing 20% of the total number of issued shares in the Target.

Unless otherwise defined, capitalised terms in this Announcement shall have the same meaning ascribed to them in the announcement dated 13 June 2016 by the Company in relation to the entry into the SPA (“**SPA Announcement**”).

2. COMPLETION OF THE PROPOSED ACQUISITION

Further to the Announcements, the Board is pleased to announce that the Proposed Acquisition has been completed today.

Pursuant to the terms of the SPA, the Purchasers have agreed, by way of a letter agreement dated 15 September 2016 (“**Sale Shares Variation Letter**”), to adjust the relevant number of Sale Shares to be acquired by each of them in the following manner:

- (a) the Company will purchase 67,000 Sale Shares, representing 13.4% of the total number of issued shares in the Target; and
- (b) the Individual Purchasers will purchase the remaining 33,000 Sale Shares, representing 6.6% of the total number of issued shares in the Target.

Accordingly, the consideration payable by the Company for its portion of the Sale Shares was adjusted to S\$3,484,000.

Following completion of the Proposed Acquisition pursuant to the terms of the SPA and the Sale Shares Variation Letter, the Company now owns 13.4% of the issued share capital of the Target.

3. ENTRY INTO DEEDS OF TRUST

In connection with and upon completion of the Proposed Acquisition, the Company had entered into a deed of trust (“**Deeds of Trust**”) dated 15 September 2016 with each of the Individual

Purchasers, pursuant to which the Company as the trustee will hold the Sale Shares acquired by each of the Individual Purchasers in trust for them absolutely ("**Trust Target Shares**") on, *inter alia*, the following terms:

- (a) The Company has agreed to do the necessary to effectuate the transfer or payment of any dividends, bonuses or other rights which may from time to time accrue in respect of the Trust Target Shares to the Individual Purchasers as beneficiaries or as they may direct.
- (b) The Company will not at any time transfer the Trust Target Shares.
- (c) The Company is entitled to exercise all voting and other rights conferred upon it as holder of the Trust Target Shares.

4. FINANCIAL INFORMATION ON THE TARGET

Based on the audited financial statements of the Target for the financial year ended 31 December 2014 and the unaudited financial statements of the Target for the financial year ended 31 December 2015:

- (a) as at 31 December 2014 and 31 December 2015, the book value of the Sale Shares acquired by the Company at Completion in the Target was S\$102,117 and S\$103,665, respectively;
- (b) as at 31 December 2014 and 31 December 2015, the net asset value ("**NAV**") of the Target was S\$762,067 and S\$773,623, respectively; and
- (c) the net profits after tax of the Target for the financial year ended 31 December 2014 and 31 December 2015 were S\$24,539 and S\$11,555, respectively, and the net profits after tax of the Target attributable to the Sale Shares acquired by the Company at Completion for the same periods were S\$3,288 and S\$1,548, respectively.

5. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 IN RELATION TO THE PROPOSED ACQUISITION

The relative figures computed on the basis of Rule 1006 of the Listing Manual of the SGX-ST in respect of the Proposed Acquisition are as follows:

Rule	Bases of computation	Size of relative figure
1006(a)	Net asset value of assets being disposed of, compared with the Group's net asset value	Not applicable as this is an acquisition
1006(b)	Net profits attributable to the assets acquired, compared with the Group's net profits	0.04% ⁽¹⁾

Rule	Bases of computation	Size of relative figure
1006(c)	Aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	15.42% ⁽²⁾
1006(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	Not applicable as no equity securities are issued by the Company as consideration for the Proposed Acquisition.
1006(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. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable as the Company is not a mineral, oil and gas company.

Notes:

- (1) "Net profits" means profit or loss before income tax, minority interests and extraordinary items. Based on the Target's unaudited net profits for the full year ended 31 December 2015 of S\$1,548 attributable to the Sale Shares acquired by the Company at Completion and the Group's audited net profits of approximately S\$3.90 million (excluding an extraordinary item in relation to the S\$4.62 million gain on disposal of a property) for the full year ended 29 February 2016.
- (2) Based on (A) the Consideration paid by the Company of S\$3,484,000 million (as adjusted at Completion) and (B) the market capitalisation of the Company of approximately S\$22,593,922 million (determined by multiplying the existing number of shares in issue (i.e. 251,043,579 shares) by S\$0.09, being the weighted average price of the Company's shares transacted on 26 August 2016, being the last full market day preceding the date of the Sale Shares Variation Letter where the Company's shares were traded).

As the relative figures under Rule 1006(c) of the Listing Manual of the SGX-ST exceed 5.0% but do not exceed 20%, the Proposed Acquisition would constitute a discloseable transaction under Rule 1010 of the Listing Manual.

6. NO MATERIAL CHANGE TO FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The adjustment to the Sale Shares acquired by the Company and Consideration payable therefor at Completion does not result any material change in the proforma financial effects of the Proposed Acquisition previously disclosed in the SPA Announcement which were computed based on the Company's audited financial statements for the financial year ended 29 February 2016. Shareholders of the Company should refer to paragraph 6 of the SPA Announcement on the aforementioned financial effects of the Proposed Acquisition.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition or the Deeds of Trust, save for their interests arising by way of their shareholdings in the Company.

8. INSPECTION OF DOCUMENTS

Copies of the Sale Shares Variation Letter and each of the Deeds of Trust will be made available for inspection during normal business hours at the Company's registered office at 221 Henderson Road #06-15, Singapore 159557 for a period of three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD

YAP KIAN PENG
Executive Deputy Chairman and Chief Executive Officer
15 September 2016