
PROPOSED CONSOLIDATION OF EVERY FIVE (5) EXISTING ISSUED ORDINARY SHARES INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY

1. Introduction

The Board of Directors (the “**Board**” or the “**Directors**”) of Jacks International Limited (the “**Company**”) wishes to announce that the Company proposes to undertake a share consolidation of every five (5) existing issued ordinary shares in the capital of the Company (the “**Shares**”) registered in the name or standing to the credit of the securities account, (as the case may be) of each shareholder of the Company (the “**Shareholder**”) as at a books closure date to be determined by the Directors (the “**Books Closure Date**”) into one (1) ordinary share (the “**Consolidated Share**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).

2. Details of the Proposed Share Consolidation

- 2.1. Under the Proposed Share Consolidation, every five (5) existing Shares registered in the name or standing to the credit of the securities account (as the case may be), of each Shareholder as at the Books Closure Date will be consolidated into one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.
- 2.2. Shareholders should note that the number of Consolidated Shares which they will be entitled to, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.
- 2.3. As at the date of this Announcement, the Company has an issued share capital of S\$14,250,000.00 comprising 150,000,000 Shares. Following the Proposed Share Consolidation and on the assumption that there will be no new Shares issued by the Company from the date of this announcement up to the Books Closure Date, the Company will have an issued share capital of S\$14,250,000.00 comprising 30,000,000 Consolidated Shares.
- 2.4. The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the

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diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Company and its subsidiaries.

- 2.5. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. Shareholders who hold physical share certificates may wish to deposit the same with the Central Depository (Pte) Limited (“CDP”) and have their Shares credited to their securities accounts with CDP before the announcement of the Books Closure Date, as CDP will only accept for deposit new share certificates of Consolidated Shares after the Books Closure Date.
- 2.6. Subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at an extraordinary general meeting (“EGM”) to be convened by the Company, Shareholders’ holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.
- 2.7. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to rounding.

3. Rationale for the Proposed Share Consolidation

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

(a) Compliance with the Minimum Trading Price Requirement

The Monetary Authority of Singapore and the Singapore Exchange Securities Trading Limited (“SGX-ST”) have introduced a minimum trading price of S\$0.20 (the “MTP”) for Mainboard-listed issuers with effect from 2 March 2015 as a continuing listing requirement to address risks associated with low-priced securities and to improve overall market quality. Issuers will be first assessed for compliance with the MTP requirement 12 months from 2 March 2015 (i.e. 1 March 2016). Issuers that fail to fulfil the MTP requirement at the first review date on 1 March 2016 or any of the subsequent quarterly reviews will be placed on the watch-list of the SGX-ST. The assessment of whether an issuer has met the MTP of S\$0.20 will be based on the issuer’s volume weighted average price (“VWAP”) of its shares for the six (6) months preceding the date of review. Issuers placed on the watch-list on or after 1 March 2016 will have a 36-month period to exit from the watch-list. Issuers

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who fail to exit from the watch-list will be subject to delisting in accordance with the listing rules.

For the past six (6) months prior to the date of this Announcement, the Shares have been trading in a range of between S\$0.066 and S\$0.110, which is below the MTP.

The highest and lowest market prices for each such month and the transacted volume of the Shares traded on the SGX-ST for each such month are as follows:

Month/Year	Highest (S\$)	Lowest (S\$)	Volume of traded Shares
September 2014	0.110	0.080	73,000
October 2014	0.070	0.072	55,000
November 2014	0.070	0.066	205,000
December 2014	0.075	0.075	25,000
January 2015	0.075	0.075	0
February 2015	0.077	0.077	41,000

Source: Bloomberg Finance L.P.

For illustrative purposes only, the VWAP of the Company's Shares for the six (6) months prior to the date of this Announcement is S\$0.076. This is below the MTP.

The Company is seeking to undertake the Proposed Share Consolidation with the purpose of raising the minimum theoretical Share price of the Company so as to facilitate the compliance with the MTP requirement by the Company.

On the assumption that the Proposed Share Consolidation had been in place for the six (6) months prior to the date of this Announcement, the theoretical adjusted 6-month VWAP based on the Consolidated Shares would be S\$0.379.

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(b) Reduction of the Magnitude of Volatility of the Share Price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded share prices translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. In addition, the low traded Share price may encourage speculation in the Shares, which may result in excessive Share price volatility. The Directors therefore believe that the Proposed Share Consolidation may serve to reduce the fluctuation in magnitude of the Company's market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

(c) Increase in the Market Interest and Attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of issued Shares. Following the Proposed Share Consolidation, the Board expects that, all other things being equal, the theoretical trading price of each Consolidated Share would be higher than the trading price of each existing Share, taking into account the decrease in the number of Shares in issue following the Proposed Share Consolidation. The Directors believe that, with the reduction in the number of Shares in issue and the resulting increase in the theoretical trading price of each Consolidated Share, the Proposed Share Consolidation may also increase the profile of the Company amongst the institutional investors and the coverage of the Company amongst research houses and fund managers which may, in turn, increase market interest and activity in the Shares, and generally make the Shares more attractive to investors.

Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustainable in the longer term.

4. Approvals and Conditions

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the approval of the SGX-ST for the Proposed Share Consolidation and for the listing of and quotation for the Consolidated Shares on the SGX-ST; and

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- (b) the approval of Shareholders by ordinary resolution at an EGM to be convened by the Company.

An application will be made by the Company to the SGX-ST for permission for the dealing in, listing of and quotation of the Consolidated Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

Subject to the receipt of the in-principle approval from the SGX-ST, a circular containing, *inter alia*, the notice of the EGM and further details of the Proposed Share Consolidation will be despatched to Shareholders in due course.

5. Caution in trading

Shareholders and potential investors are advised to exercise caution when dealing in the Company's securities. Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubts about the actions they should take.

BY ORDER OF THE BOARD

James Koh Chuan Lim
Peter Tam Kui Pui
Company Secretaries

Singapore
Date: 24 March 2015