



**JACKSPEED CORPORATION LIMITED**



# **SOARING TO GREATER HEIGHTS**

**ANNUAL REPORT 2020**


# CONTENTS

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- 01** Corporate Profile
- 02** Letter to Shareholders
- 03** Operations Review
- 04** Financial Highlights
- 05** Corporate Information
- 06** Board of Directors



# CORPORATE PROFILE



On 3 January 2020, Jackspeed Corporation Limited (the “Company”) completed the disposal of its entire business and business assets. The Company is actively exploring opportunities for new assets or business acquisitions and shall update the shareholders of further updates or developments in due course.

# LETTER TO SHAREHOLDERS

## Dear Shareholders,

On behalf of the Board of Directors, I present to you the Annual Report for Jackspeed Corporation Limited (the “Company”) for the financial year ended 29 February 2020 (“FY2020”).

## Of Our Past Years and Present

The Company and its subsidiaries (the “Group”) were in losses in FY2011 and earlier. For the last 9 financial years from FY2012, the Group was profitable. This was a result of dedication, persistence and sacrifices from the colleagues in the Group.

The Company was listed on SGX since 2003. While the Company had tried its best to promote itself, including activities to promote the Company to analysts and investors, the Company was not able to experience better share price performance and liquidity.

With the aforementioned considerations, the Company had on 3 January 2020 completed the disposal of the entire business and business assets for a cash consideration of \$48.0 million (the “Disposal”). After taking into consideration expenses in relation to the Disposal and retaining a small cash sum, the net proceeds of \$47.5 million were distributed to shareholders in FY2020, through share capital reduction and distribution of \$36.6 million and a special dividend of \$10.9 million.

## Looking Ahead

Following the Disposal, the Company is actively exploring opportunities to acquire new assets or businesses, with the objective to maximise shareholders’ value.

## Appreciation

On behalf of the Board of Directors, we would like to express our appreciation to all our shareholders, colleagues, business associates and bankers who have worked closely with us.

The Company is embarking on a new journey and we look to your continued support.

Sincerely,

**YAP KIAN PENG**

Executive Deputy Chairman and Chief Executive Officer



The Company is actively exploring opportunities to acquire new assets or businesses, with the objective to maximise shareholders’ value.

# OPERATIONS REVIEW

## Financial Performance

With the completion of the Disposal, the Company does not have any subsidiary as at FY2020. As such, only the financial statements of the Company are presented.

The Company concluded FY2020 with a \$9.7 million increase in net profit, from \$1.0 million in prior year to \$10.7 million in FY2020. This increase was mainly attributed to gain of \$7.8 million on Disposal.

Administrative expenses from continuing operations, comprising mainly stock exchange listing fees, professional fees, director fees, staff expenses and statutory expenses, remained relatively consistent at \$0.6 million in FY2020.

The results of discontinued operations comprised revenue and expenses of the disposed business and business assets.

## Financial Position

Proceeds from the Disposal were \$48.0 million. After taking into consideration expenses in relation to the Disposal and retaining a small cash sum, the net proceeds of \$47.5 million were distributed to shareholders in FY2020, through share capital reduction and distribution of \$36.6 million and a special dividend of \$10.9 million.

Following the distributions to shareholders, the Company continued to maintain a healthy financial position, with net assets of \$0.2 million as at FY2020.

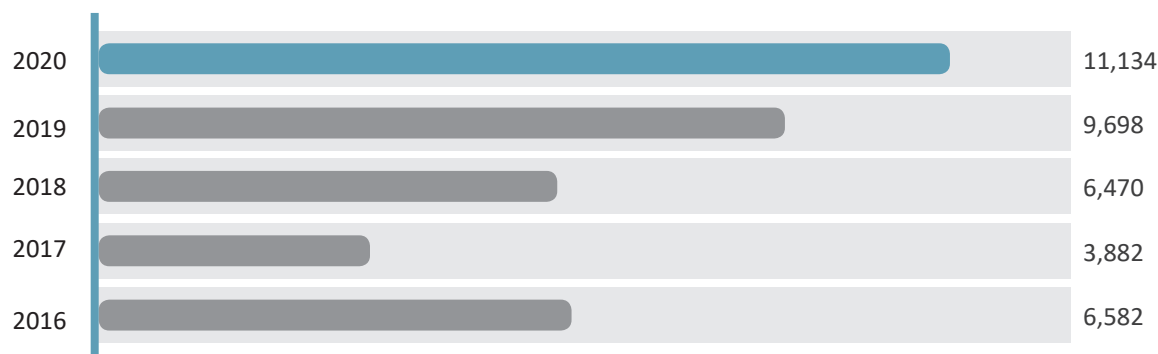


# FINANCIAL HIGHLIGHTS

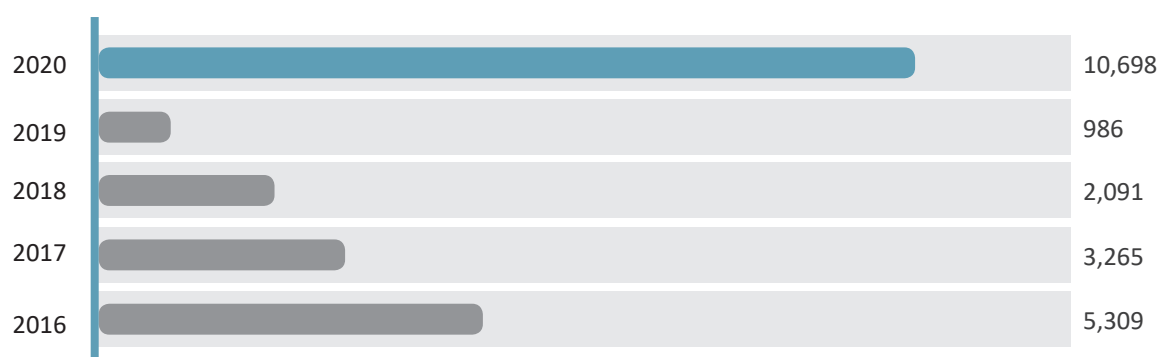
Group	FY2016 (S\$'000)	FY2017 (S\$'000)	FY2018 (S\$'000)	FY2019 (S\$'000)	FY2020 (S\$'000)
Revenue	65,696	67,652	52,448	46,682	N.A.
Profit before tax	8,525	6,259	8,060	8,877	N.A.
Earnings attributable to equity holders of the Company	7,351	4,368	5,574	5,776	N.A.
Earnings per share (cents)	2.93	1.74	1.96	1.92	N.A.

Company	FY2016 (S\$'000)	FY2017 (S\$'000)	FY2018 (S\$'000)	FY2019 (S\$'000)	FY2020 (S\$'000)
Revenue	6,582	3,882	6,470	9,698	11,134
Profit before tax	5,309	3,265	2,091	986	10,698
Earnings attributable to equity holders of the Company	5,309	3,265	2,089	986	10,698
Earnings per share (cents)	2.11	1.30	0.74	0.33	3.55

**Revenue** (S\$'000)  
Company



**Profit Before Tax** (S\$'000)  
Company





# CORPORATE INFORMATION

## 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)

## Company Secretaries

### Ms Siau Kuei Lian

### Ms Chua Sze Chyi

## Audit Committee

### Mr Toh Tiong San

(Chairman)

### Mr Chin Yew Choong David

### Mr Yap Kian Peng

## Remuneration Committee

### Mr Chin Yew Choong David

(Chairman)

### Mr Toh Tiong San

### Mr Yap Kian Peng

## Nominating Committee

### Mr Toh Tiong San

(Chairman)

### Mr Chin Yew Choong David

### Ms Chua Sze Chyi

## Registered Office

221 Henderson Road #06-15

Singapore 159557

Tel: (65) 6273 0386

Fax: (65) 6273 0396

Website: [www.jackspeed.com](http://www.jackspeed.com)

Email: [investoradmin@jackspeed.com](mailto:investoradmin@jackspeed.com)

## Share Registrar

M & C Services Private Limited

112 Robinson Road #05-01

Singapore 068902

## Independent Auditor

RSM Chio Lim LLP

8 Wilkie Road

#03-08 Wilkie Edge

Singapore 228095

## Audit Partner-in-charge

Mr Ng Thiam Soon

Effective from financial year ended 28 February 2018

Number of years in-charge: 3 years

## Principal Bankers

Malayan Banking Berhad

United Overseas Bank Limited

Oversea-Chinese Banking Corporation Limited

DBS Bank Ltd

## Registration Number

199300300W

# BOARD OF DIRECTORS



Mr Chin Yew Choong David

Mr Chin was appointed as the Independent Non-Executive Chairman for the Group on 24 January 2014. He has served as an Independent Director for the Group since 31 May 2011. He is the Chairman of the Remuneration Committee and is also a Member of the Audit Committee and Nominating Committee.

Mr Chin is currently a Consultant in Rajah & Tann Singapore LLP. He was previously with Drew & Napier since 1985 and became a partner in 1992. Upon incorporation in 2001, he was a director of Drew & Napier LLC until 2012. He became a Consultant with Drew & Napier LLC from 2012 until 2015 after which he joined Rajah & Tann Singapore LLP.

Mr Chin graduated with a Bachelor of Laws (Honours) degree from National University of Singapore and was called to the Bar in 1985.

Mr Chin also serves on the board of M Development Ltd. and Universal Resource and Services Limited, which are listed on the SGX Mainboard.



Mr Yap Kian Peng

Mr Yap was appointed as the Executive Deputy Chairman on 24 January 2014 and Chief Executive Officer for the Group on 2 December 2011. He has served as Executive Chairman for the Group between 16 December 2010 to 24 January 2014. Mr Yap is also a member of the Audit Committee and Remuneration Committee. He is responsible for charting and reviewing our corporate direction and business strategies.

Since 2005, Mr Yap has been an Executive Director of Capital Equity Holdings Pte Ltd, a private equity investment company.

Mr Yap joined Oversea-Chinese Banking Corporation Limited in 1992 and was promoted to Assistant Manager before leaving in 1998. From 1998 to 2000, he was a Director of You Yi Glass Contractor Pte Ltd, a company engaged in the business of trading in glass sheets. Mr Yap joined Maybank as a Senior Business Development Manager in 2001 and was subsequently promoted to Team Head of Trade Finance Business Development Group.

Mr Yap graduated from RMIT University, Australia with a Bachelor's Degree in Business (Business Administration).

Mr Yap also serves on the board of M Development Ltd. and Seroja Investments Limited, which are listed on the SGX Mainboard.



# BOARD OF DIRECTORS



Mr Toh was appointed as the Independent Director of the Company on 21 September 2015. He is the Chairman of the Audit Committee and Nominating Committee and is also a Member of the Remuneration Committee.

Mr Toh has more than 20 years of experience in private equity, fund management and corporate finance. He was awarded the Chartered Financial Analyst Charter in 1998.

In 1991, Mr Toh joined DBS Bank Ltd.'s ("DBS") private equity arm and was responsible for deal origination, due diligence, deal structuring, valuation, financial modeling, investment monitoring and divestments. He was also in DBS's capital market services arm where he was involved in merger and acquisition activities, financial engineering and securitisation.

In 2000, Mr Toh joined Temasek Holdings as the Director of Investments, responsible for investment of listed and private companies (including companies that were honoured the Enterprise 50 Awards) in industries spanning food and beverage, services, internet to private education.

From 2006 to 2007 and 2009 to 2012, Mr Toh was appointed the Managing Director of Emirates Tarian Asset Management Pte Ltd ("ETAM"), responsible for setting up and running the fund management operations. Mr Toh successfully transformed ETAM into an established boutique fund management outfit before he left in 2012.

Mr Toh, who was awarded a scholarship from DBS, graduated from National University of Singapore with an Honours Degree in Electrical Engineering.

Mr Toh also serves on the board of Raffles Infrastructure Holdings Limited, which is listed on the SGX Mainboard.



Ms Chua was appointed as the Executive Director of the Company on 26 April 2012. She is also a member of the Nominating Committee. Ms Chua is responsible for overseeing and supervising the Finance Department as well as monitoring the performance of the subsidiaries.

Prior to joining the Company in 2010, Ms Chua has served several years in an international auditing firm.

Ms Chua graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University. She is a member of the Institute of Singapore Chartered Accountants.



## FINANCIAL CONTENTS

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- 09** Corporate Governance Report
  - 29** Statement by Directors
  - 32** Independent Auditor's Report
  - 35** Statement of Profit or Loss and  
Other Comprehensive Income
  - 36** Statement of Financial Position
  - 37** Statement of Changes in Equity
  - 38** Statement of Cash Flows
  - 40** Notes to The Financial Statements
  - 71** Shareholdings Statistics
  - 73** Notice of Annual General Meeting
- Proxy Form

# CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) and Management of Jackspeed Corporation Limited (the “**Company**”) place great importance on high standard of corporate conduct to uphold good corporate governance practices. This commitment and continuous support of the Code of Corporate Governance 2018 (the “**Code**”) which supersedes the Code of Corporate Governance issued in 2012, can be seen from the efforts of the Board and Management to promote and maintain values that emphasise transparency, accountability, integrity and proper conduct at all times, in the business operations and dealings of the Company so as to create value for its stakeholders and safeguard the Company’s assets.

The report describes the practices the Company has undertaken with respect to each of the principles and guidelines; and the extent of its compliance with the Code. This report should be read as a whole, instead of being read separately under the different principles of the Code. The Company has complied in all material aspects with the principles and guidelines set out in the Code and any deviations from the Code are explained in this report.

## BOARD MATTERS

### The Board’s Conduct of Affairs

**Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

#### Role of the Board

The Company is headed by an effective Board, comprising four directors of whom two are Executive Directors and two are Non-Executive Independent Directors. Their combined wealth and diversity of skills, experience, gender and knowledge of the Company enables them to contribute effectively to the strategic growth and governance of the Company.

The Board sets the overall business direction, provides guidance on the Company’s strategic plans, with particular attention paid to growth and financial performance and oversees the Management of the Company.

The principal functions of the Board, apart from its statutory responsibilities, include:-

- a) Providing entrepreneurial leadership, approving policies, setting strategies and financial objectives of the Company and monitoring the performance of Management;
- b) Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- c) Approving nominations to the Board, Board committee members and key personnel;
- d) Approving annual budgets, funding requirements, expansion programmes, capital investments, major acquisitions and divestments proposals;
- e) Setting the Company’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- f) Considering sustainability issues as part of the Company’s strategic formulation.

All Directors discharge their duties and responsibilities objectively at all times as fiduciaries in the interest of the Company. The Board puts in place a code of conduct and ethics and ensures proper accountability within the Company. The Board has clear policies and procedures for dealing with conflict of interest. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

# CORPORATE GOVERNANCE REPORT

## Director Induction, Training and Development

The Company conducts briefing and orientation programs for new directors to familiarise themselves with the Company's structure and organisation, businesses and governance policies. Upon appointment, each newly appointed director will be briefed by the Chief Executive Officer and/or senior Management of the Company on the business activities of the Company and its strategic directions, as well as setting out their duties and responsibilities as directors. The aim of the orientation program is to give directors a better understanding of the Company's businesses and allow them to assimilate into their new roles. New directors are also informed about matters such as the Code of Dealing in the Company's shares. The Directors and Key Management Personnel are encouraged to attend relevant training programmes, courses, conference and seminar on new laws, regulations and updates on commercial areas conducted by relevant professional organisation from time to time. Changes to regulations and accounting standards are monitored closely by the Management. The Board has received updates on changes in listing rules, regulatory requirements, corporate governance guidelines and best practices on regular basis. There is no new director appointed during the year.

To keep pace with regulatory changes, the Company provides opportunities for on-going education on Board processes and best practices, as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Singapore Exchange Securities Trading Limited ("SGX-ST") that will affect the Company and/or Directors in discharging their duties. Board members are also encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company may fund the appropriate training and development programmes for the Directors. The Company works closely with professionals to provide its Directors with pertinent information in relation to changes to relevant laws, regulations and accounting standards on key aspects to gain insight for better understanding of the Company's business and operations.

## Matters Requiring Board Approval

The Company has adopted internal guidelines setting forth matters that require the Board's approval. Matters that specifically require Board's approval are those involving annual budget, major funding and investment proposals, mergers and acquisition transactions, release of results announcements and any other announcements, appointment of Directors and Key Management Personnel and all other matters of material importance. The Board will review the guidelines on a periodical basis to ensure their relevance to the operations of the Company. The Management is responsible for the day-to-day operation and administration of the Company in accordance with the objectives, strategies and policies set by the Board.

## Board Processes

To ensure the smooth and effective running of the Company and facilitate decision making, the Board has delegated some of its powers and functions to various Committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") (collectively "Board Committees"). These Board Committees are chaired by Independent Directors and operate within clearly written terms of reference and operating procedures, compositions, authorities and duties, including reporting back to the Board and play an important role in ensuring good corporate governance in the Company. The terms of reference of the Board Committees are reviewed by the Board and Board Committee on a regular basis to ensure their continued relevance and to enhance the effectiveness of these Board Committees. The roles and responsibilities of these Board Committees are provided for in the latter sections of this Corporate Governance Report.

The schedule of all Board and Board Committees meetings for a calendar year is usually given to all Directors well in advance. Besides the scheduled half yearly meetings, the Board members meet on an ad-hoc basis as warranted by particular circumstances. Board meetings will be convened when they are deemed necessary to review the Company's business operations, conduct strategic review of the business affairs and address other specific significant matters that arise. The Company's Constitution (the "Constitution") provide for the Board to convene meetings via telephonic and other electronic means. The Board also approves transactions through circular resolutions, which are circulated to the Board together with all relevant information relating to the proposed transaction.

The agenda for meetings is prepared in consultation with the Non-Executive Chairman, the Executive Directors and/or the Chairman of the Board Committees. The agenda and meeting materials are circulated to the Board and Board Committees in advance of the scheduled meetings.

# CORPORATE GOVERNANCE REPORT

The Directors are encouraged to make enquiries on any aspects of the Company's operations or business issues from the Management. The Non-Executive Chairman or Executive Deputy Chairman and Chief Executive Officer ("CEO") or the Company Secretary will make the necessary arrangements for briefings, informal discussions or explanations, as and when required.

During the financial year, the Board members had met two times. The number of Board meetings held and the attendance of each Board member at the meetings for the financial year ended 29 February 2020 ("FY2020") are disclosed in the table reflected below:-

## Attendance Report of the Directors

Directors	Number of meetings held	Number of meetings attended
Chin Yew Choong David Non-Executive Chairman and Independent Director	2	2
Yap Kian Peng Executive Deputy Chairman and CEO	2	2
Toh Tiong San Non-Executive Independent Director	2	2
Chua Sze Chyi Executive Director	2	2

The Directors were appointed based on their experience, stature and potential to contribute to the proper guidance of the Company and its businesses. As such, we believe that each individual Director's contributions can be reflected in ways other than the reporting of attendances at Board meetings and/or Board Committees meetings.

Despite some of the Directors having multiple Board representations, the NC had reviewed the directorship of the Directors and is satisfied that these Directors are able to ensure that sufficient time and attention are given to the affairs of the Company and have adequately carried out their duties as Directors of the Company after taking into consideration the number of listed company Board representations and other principal commitments of these Directors.

Currently, the NC and Board do not limit the maximum number of listed Board representations which any Director may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Company. The NC and Board believe that each individual director is best placed to determine and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a Director of the Company, having regard to his or her other commitments.

## Access to Information

The Directors are provided with board papers and related materials, background or explanatory information in advance of each Board meeting to enable them to be properly informed of matters to be discussed and/or approved, as well as ongoing reports relating to operational and financial performance of the Company. Directors are also informed of any significant developments or events relating to the Company. In addition, the Directors are entitled to request from Management such additional information as needed to make informed decisions. Management ensures that any additional information requested for is provided to the Directors in a timely manner.

## The Company Secretary and Other Professional Advisers

Board members have separate and independent access to the Company Secretary at all times. The Company Secretary or her representative will attend all meetings of the Board and Board Committees and assists in ensuring that relevant procedures are followed and reviewed such that the Board and Board Committees operate effectively. The decision to appoint or remove the Company Secretary is made by the Board as a whole.

# CORPORATE GOVERNANCE REPORT

Should Directors, whether as a group or individually, need independent professional advice to enable them to discharge their duties, the Company, subject to the approval of the Board, will appoint a professional adviser to render advice at the cost of the Company.

## Board Composition and Guidance

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.**

The Company endeavours to maintain a strong and independent element on the Board and will continue to review the Board size to ensure that it is appropriate and effective to facilitate decision making. In view of the small operation of the Company, the Board and NC were of the view that the current Board size of four directors with two Executives and two Independent Directors are sufficient at this point in time with the current operation of the Company. The Board and NC will continue to review the composition and Board size as and when the circumstances arise.

The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies or its officers or its substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company. The NC has reviewed the 'Confirmation of Independence' forms completed by each Independent Director and is satisfied that half of the Board comprises of Independent Directors. The Board has adopted the criteria on an Independent Director given in Provision 2.1 of the Code and Rule 210(5)(d) of the SGX-ST Listing Manual. The independence of each Director is reviewed annually by the NC in accordance with the guidance provided in the Code. No individual or group of individuals dominates the Board's decision making.

The Chairman is an Independent Director and half of the Board is made up of Non-Executive and Independent Directors. The Board and the NC are satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affair, even if the Independent Directors and Non-Executive Directors do not make up a majority of the Board as proposed in the Provisions 2.2 and 2.3 of the Code. Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board and all major decisions are made collectively. The independence of each Director is reviewed annually by the NC.

## Board Diversity

The Board comprises of Directors who possess the core competencies, experience and knowledge in business, finance and management skills critical to the Company's business and that each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. The Directors, having reviewed the composition of the Board, are satisfied that the present size and composition of the Board is effective for decision making.

The key information regarding Directors such as academic and professional qualifications, board committees served, directorships or chairmanships both present and past held over the preceding three years in other listed companies and other major appointments, whether the appointment is executive or non-executive can be found under the "Board of Directors" section of the Annual Report.

Although the Company has yet to adopt a board diversity policy, the Company has embraced all aspects of diversity in the current Board composition, including of gender diversity.

Non-Executive and Independent Directors of the Board exercise no management functions but have equal responsibility for the performance of the Company, the role of the Non-Executive and Independent Directors are particularly important in ensuring that the strategies proposed by the Management are constructively challenged, taking into account the long-term interests, not only of the shareholders, but also of employees, customers, suppliers and the communities in which the Company conducts business. The Independent Directors help to develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting performance. When necessary, the Independent Non-Executive Director will meet and discuss on the Company's affairs without the presence of the Management and feedback on issues discussed is thereafter provided to the Chairman of the Board.



# CORPORATE GOVERNANCE REPORT

To-date, none of the Independent Directors of the Company has been appointed as Director of the Company's principal subsidiaries, which are based in Singapore. None of the Independent Directors has served on the Board beyond nine years from the date of his appointment.

As at the date of this report, the composition of Board is as follows:-

Directors	Designation
Chin Yew Choong David	Non-Executive Chairman and Independent Director
Yap Kian Peng	Executive Deputy Chairman and CEO
Toh Tiong San	Non-Executive Independent Director
Chua Sze Chyi	Executive Director

## Chairman and Chief Executive Officer

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.**

The Company has a clear separation of responsibilities set out in writing between the Chairman and CEO to ensure an appropriate balance of power, increased accountability and greater capacity for the Board in terms of independent decision making. Mr Chin Yew Choong David is the Non-Executive Chairman of the Board and is considered independent. As the Non-Executive Chairman, he exercises control over the quality, quantity and timeliness of information flow between the Management and the Board. He ensures that the Board receives accurate, timely and clear information; and that effective communication is maintained with the shareholders. He facilitates constructive discussions within the Board and between the Board and Management and encourages their effective contributions.

In addition, the Non-Executive Chairman ensures that regular Board meetings are held, ad-hoc meetings are convened when necessary, the Board is updated on the Company's affairs, oversees the preparation of the agenda for Board meetings and the Company's compliance with the Code. The Non-Executive Chairman also ensures that the Board members are provided with complete, adequate and timely information and that board papers include sufficient financial, business and corporate information for Board members to appraise on matters to be discussed during Board meetings. He also takes a leading role in promoting high standards of corporate governance.

The Board noted that Provision 3.1 of the Code requires the Chairman and the CEO to be a separate person in order to ensure appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making, Mr Yap Kian Peng is holding the positions as the Executive Deputy Chairman and CEO of the Company. As the CEO, he is involved in the day-to-day business of the Company and leads Management in setting strategies, objectives and is responsible for the development and financial performance of the Company.

All major decisions made by the Board are subject to majority approval of the Board and are reviewed by the AC, whose members comprise a majority of Non-Executive Independent Directors. The Executive Directors' performance and remuneration are reviewed annually by the NC and RC respectively, whose members comprise a majority of Non-Executive Independent Directors of the Company. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

## Lead Independent Director

The Board noted the requirement of appointing a lead independent director prescribed under the Code. The Board is of the view that it is not necessary to appoint any lead Independent Director in view that the Company is now considered cash company with no significant business activities in the financial year. In addition, the Chairman is independent, and all the matters requiring Board's approval are discussed and deliberated with participation from each member of the Board. The decisions are based on collective decision without any individual or small group of individuals influencing or dominating the decision making process. The Board is available to shareholders where they have concerns and for which contact through the normal channels of Chairman or CEO has failed to resolve or is inappropriate.



# CORPORATE GOVERNANCE REPORT

## Board Membership

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.**

The Board has delegated to the NC the functions of developing and maintaining a transparent and formal process for the appointment and re-appointment of Directors, making recommendations for Directors who are due for retirement by rotation to seek re-election at a general meeting and determining the independence of each Director.

As at the date of this report, the NC comprises three members, the majority of whom, including the Chairman, are Non-Executive Independent Directors:-

- (1) Toh Tiong San (Chairman)
- (2) Chin Yew Choong David
- (3) Chua Sze Chyi

The NC Chairman is also a Director who has no relationship with the Company, its related corporations, its substantial shareholders or its officer and is not directly associated with substantial shareholders. The NC is established for the purposes of ensuring that there is a formal and transparent process for all board appointments. It has adopted written terms of reference defining its membership, administration and duties.

The NC meets at least once a year and at other times as required. The number of NC Meeting held and the attendance of each member at the meeting during FY2020 are disclosed in the table reflected below:-

Names of Members	Number of meeting held	Number of meeting attended
Toh Tiong San	1	1
Chin Yew Choong David	1	1
Chua Sze Chyi	1	1

The NC is regulated by its terms of reference and its key functions include:-

- a) Reviewing the Board structure, size and composition;
- b) Assessing nominees or candidates for appointment or election (including Alternate Director, if any) to the Board and making plans for succession, in particular for the Chairman and the CEO;
- c) Assessing the effectiveness of the Board as a whole, its Board Committees and assessing the effective contribution and commitment of each individual Director to the effectiveness of the Board. The results of the performance evaluation will be reviewed by the Chairman and the assessment shall be carried out annually;
- d) Assessing the contribution, performance and effectiveness of each Director, in particular when a Director has multiple board representations and having regard to the Director's contribution and performance;
- e) Reviewing of training and professional development programmes for the Board and its Directors;
- f) Reviewing the independence of the Directors on an annual basis;
- g) Deciding whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company based on internal guidelines such as attendance, contactability and responsiveness;

# CORPORATE GOVERNANCE REPORT

- h) Deciding how the Board's performance may be evaluated and propose objective performance criteria, subject to the approval of the Board, which allow for comparison with industry peers and which address how the Board has enhanced long-term shareholders' value; and
- i) Reviewing and approving any new employment of related persons and the proposed terms of their employment.

All Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Regulation 107 of the Company's Constitution requires one-third of the Board to retire and submit themselves to re-election by the shareholders in every Annual General Meeting ("AGM"). A newly appointed Director must also subject himself or herself for retirement and re-election at the next AGM immediately following his or her appointment. The Board and the NC had developed a process of evaluation of performance of the Board and Board Committees through establishment of quantifiable performance criteria.

The NC has recommended and the Board has approved the re-election of Mr Yap Kian Peng and Mr Toh Tiong San, who are retiring at the forthcoming AGM for FY2020. The details of the Directors seeking for re-election are found in Table A set out on page 27 to page 28 of this Annual Report.

Each member of the NC shall abstain from voting on any resolutions and making recommendation and/or participating in any deliberations of the NC in respect of his or her re-nomination as a Director.

The dates of first appointment and last election of each Director, together with their Directorships in other listed companies, are as follows:-

Name of Directors	Appointment	Date of first appointment/ Date of last re-election	Directorships in other listed companies	Past directorships in other listed companies and other major appointments over the preceding three (3) years
Chin Yew Choong David	Non-Executive Chairman and Independent Director	31 May 2011 / 28 June 2019	<ul style="list-style-type: none"> <li>M Development Ltd.</li> <li>Universal Resource and Services Limited</li> </ul>	–
Yap Kian Peng	Executive Deputy Chairman and CEO	16 December 2010 / 26 June 2018	<ul style="list-style-type: none"> <li>M Development Ltd.</li> <li>Seroja Investments Limited</li> </ul>	<ul style="list-style-type: none"> <li>Soon Lian Holdings Limited</li> </ul>
Toh Tiong San	Non-Executive Independent Director	21 September 2015 / 26 June 2018	<ul style="list-style-type: none"> <li>Raffles Infrastructure Holdings Limited</li> </ul>	–
Chua Sze Chyi	Executive Director	26 April 2012 / 28 June 2019	–	–

There is no Independent Director who has served on the Board beyond nine years from the date of his or her first appointment. Currently, the Company does not have any alternate Director.

The NC decides how the Board's performance is evaluated and proposes objective performance criteria, subject to the approval of the Board, which addresses how the Board has enhanced long-term shareholders' value. The Board also implemented a process to be carried out by the NC to evaluate the effectiveness of the Board as a whole and its Board Committees annually.

# CORPORATE GOVERNANCE REPORT

Despite some of the Directors having multiple Board representation, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company, after taking into consideration the number of listed company board representations and other principal commitments. Currently, the Board has not determined the maximum number of listed board representations which any Director may hold. The Board believes that each individual Director is best placed to determine and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a Director of the Company, bearing in mind his or her other commitments. The NC and the Board will review the requirement to determine the maximum number of listed board representations as and when it deems fit.

In respect to FY2020, the NC conducts an annual review of the balance, diversity and size of the Board to determine any changes are required in relation to the Board composition. Where a vacancy arises, the NC will consider each candidate based on the selection criteria determined after consultation with the Board and after taking into consideration the qualification, experience, ability to contribute effectively to the Board and to add value to the Company's business, in line with its strategic objectives before recommending the suitable candidate to the Board for approval. There is no new director appointed on Board during the year.

Candidates may be suggested by Directors and Management or sourced from external sources. The NC will interview the candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his or her responsibilities, good decision making track record, relevant experience and financial literacy. The NC will make a recommendation to the Board on the appointment. The Board then appoints the most suitable candidates who must stand for election at the next AGM of shareholders.

In respect to FY2020, the NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs and is satisfied that the Directors are able to and have adequately carried out his or her duties as Directors of the Company and has contributed to the effectiveness of the Board as a whole and its Board Committees.

## Board Performance

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.**

In line with the principles of good corporate governance, the Board has implemented a structure process to be carried out by the NC to evaluate the performance and effectiveness of the Board as a whole and its Board Committees annually. The NC has met to discuss the evaluation of the performance of the Board, its committees and individual Directors; and has adopted a formal evaluation process to assess the effectiveness of the Board and its committees. Any recommendation and suggestion arising from the evaluation exercise are circulated to the Board for consideration and appropriate measures to be taken. The performance criterion includes financial targets, the contribution by Directors, their expertise, their sense of independence and their industry knowledge. This encourages constructive feedback from the Board and leads to an enhancement of its performance over time. Selected performance criteria will not change from year to year unless they are deemed necessary and the Board is able to justify the changes.

During the financial year under review, each Director was required to complete the evaluation form and individual Director's assessments adopted by the NC for annual assessment on the overall effectiveness of the Board as a whole, Board Committees and each Director's contributions, and the results have been collated by the Chairman of NC for review or discussion.

The NC, in considering the re-nomination of any Director, had considered factors including their performance in the Board as a whole, its Board Committees and individual performance including his or her attendance, preparedness, participation and contributions in the proceedings of the meetings. The NC has recommended that the members of the respective Board Committees complete the evaluation form adopted by the NC. The results of the Board and Board Committees' assessments are reviewed and discussed by the NC and, any recommendation and suggestion arising from the evaluation exercise are circulated to the Board for consideration of the appropriate measures to be taken. The NC has full authority to engage an external facilitator to assist the NC to carry out the evaluation process, if the need arises.

# CORPORATE GOVERNANCE REPORT

The evaluation of Board performance is conducted annually to identify areas of improvement and as a form of good Board management practice. The last Board of Directors' evaluation was conducted in 22 April 2020 and the results have been presented to the NC for discussion. The NC is satisfied that the Board has been effective as a whole and that each and every Director has contributed to the effective functioning of the Board. In addition, the NC is also satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

No external facilitators were used in the assessment of the Board as a whole, its Board Committees and the individual Directors.

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.**

As at the date of this report, the RC currently comprises of three members, the majority of whom including the Chairman are Non-Executive Independent Directors:-

- (1) Chin Yew Choong David (Chairman)
- (2) Toh Tiong San
- (3) Yap Kian Peng

As not all the members of the RC are non-executive directors, this practice deviates from Provision 6.2 of the Code and in view of currently the Company is considered as a cash company, the Board is progressively taking step to appoint a Non-Executive Director to be in line with the Code.

The RC is established for the purposes of ensuring that there is a formal and transparent procedure for fixing the remuneration packages of individual Director. The overriding principle is that no Director should be involved in deciding his or her own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations. It has adopted written terms of reference that defines its membership, roles, functions and administration.

The RC meets at least once a year and at other times as required. The number of RC Meeting held and the attendance of each member at the meeting during FY2020 are disclosed in the table reflected below:-

Names of Members	Number of meeting held	Number of meeting attended
Chin Yew Choong David	1	1
Toh Tiong San	1	1
Yap Kian Peng	1	1

The duties of the RC include:-

- (a) Reviewing and recommending to the Board a framework of remuneration and specific remuneration packages for Executive Directors, CEO and Key Management Personnel of the Company;
- (b) Reviewing the remuneration packages of all managerial staff that are related to any of the Executive Directors, CEO or substantial shareholder of the Company or any of its principal subsidiaries; and
- (c) Reviewing and recommending to the Board and Key Management Personnel (in consultation with Senior Management and the Chairman of the Board), Employees' Share Option Schemes or any long-term incentive scheme when applicable.

# CORPORATE GOVERNANCE REPORT

The RC has reviewed the framework of remuneration for the Directors and Key Management Personnel, and has determined specific remuneration packages for the Executive Directors as well as for the Key Management Personnel. The recommendations of the RC are made in consultation with the Non-Executive Chairman and submitted for endorsement by the entire Board.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share option scheme and benefit-in-kind shall be covered by the RC. Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package.

In structuring and reviewing the remuneration packages, the RC seeks to align the interests of Directors and Key Management Personnel with those of shareholders by linking rewards to corporate and individual performance, as well as roles and responsibilities of each Director. The RC will also review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoids rewarding poor performance.

In setting out the remuneration packages, the RC would take into consideration pay and employment conditions within the industry and in comparable companies. The remuneration packages should take into account the Company's relative performance and the performance of the individual Directors and Key Management Personnel.

The RC are knowledgeable in the field of executive compensation, in considering the remuneration of all Directors, has not sought external professional advice nor appointed independent remuneration consultants.

The Directors' fees to be paid quarterly in arrears to the Directors are subject to shareholders' approval at the forthcoming AGM for FY2020.

## Level and Mix of Remuneration

**Principle 7: The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.**

The RC reviews the remuneration packages for the Executive Directors and Key Management Personnel. In its review, the RC takes into consideration the pay and employment conditions within the industry and comparable companies, as well as the Company's relative performance and the performance of the individual Director and Key Management Personnel when setting remuneration packages so as to attract, retain and motivate them to run the Company successfully.

The Non-Executive Independent Directors and the Executive Directors receive Directors' fees. In determining the quantum of Directors' fees, factors such as effort and time spent, and responsibilities of the Directors are taken into account.

The RC ensures that none of the Non-Executive Independent Directors are over-compensated to the extent that their independence may be compromised and no Director is involved in deciding his own remuneration. The Directors' fees are subject to shareholders' approval at the forthcoming AGM for FY2020. The remuneration policies for Key Management Personnel are based largely on the Company's performance and the responsibilities and performance of each individual Key Management Personnel. The RC recommends the remuneration packages of Key Management Personnel to the Board for approval.

The RC is of the view that the variable component of the remuneration packages of the Executive Directors and Key Management Personnel are moderate. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties. Therefore, there is no necessity for the Company to institute contractual provisions in the service agreements or employment agreements to reclaim incentive components of remuneration paid in prior years from the Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

# CORPORATE GOVERNANCE REPORT

## Disclosure on Remuneration

**Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

The Company believes that the disclosure of the remuneration of the Directors and top five Key Management Personnel (Executives who are not Directors or CEO) in bands of S\$250,000 provides sufficient overview of the remuneration of the Company while maintaining confidentiality of staff remuneration matters and is in the best interests of the Company given the competitive conditions in the industry.

The remuneration of Directors for FY2020 is as follows:-

Directors	Remuneration Band	Base Salary (%) <sup>(1)</sup>	Bonus (%)	Directors' Fee (%) <sup>(2)</sup>	Allowance (%)	Total (%)
Yap Kian Peng	S\$750,000 to S\$1,000,000	41	59	–	–	100
Chua Sze Chyi	S\$250,000 to S\$500,000	57	32	11	–	100
Chin Yew Choong David	Below S\$250,000	–	–	100	–	100
Toh Tiong San		–	–	100	–	100

<sup>(1)</sup> Includes employer's Central Provision Fund contributions.

<sup>(2)</sup> Directors' fees paid in arrears were approved by shareholders at the AGM held on 28 June 2019.

Following the disposal of the Company's entire business and business assets during the financial year, the Company did not have any Key Management Personnel (Executives who are not Directors or CEO).

There is no employee of the Company who is substantial shareholder of the Company, or an immediate family member of a Director, the CEO or a substantial shareholder of the Company and whose remuneration has exceeded S\$100,000 during FY2020.

No termination, retirement and post-employment or other long-term incentives have been granted to the Directors or Key Management Personnel during FY2020.

### Jackspeed Share Award Scheme

The Company had adopted a performance share plan known as the "Jackspeed Share Award Scheme" (the "**Scheme**"), which was approved at an Extraordinary General Meeting of the Company duly held on 26 June 2013. The RC is responsible for the administration of the Scheme.

The Scheme will provide an opportunity for Company employees, Directors of the Company and Non-Executive Directors to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

The Scheme is designed to complement the Company's efforts to reward, retain and motivate employees to achieve better performance. With the Scheme, the Company will have greater flexibility in tailoring reward and incentive packages suitable for participants and align participants' interests with those of shareholders.

The focus of the Scheme is to inculcate in participants a stronger and more lasting sense of identification with the Company, and to further strengthen the Company's competitiveness in attracting and retaining talented employees, especially employees who have the requisite knowledge, technical skills and experience which the Company believes could contribute to the development and growth of the Company.

# CORPORATE GOVERNANCE REPORT

The Awards given to a particular participant under the Scheme will be determined at the discretion of the RC who will take into account factors such as the participant's capability, scope of responsibility, skill and vulnerability to leaving the employment of the Company. The RC will also consider the compensation and/or benefits to be given to the participant under the Scheme. The RC may also set specific criteria and performance targets for each of its business units, taking into account factors such as (i) the Company's business goals and directions for each financial year; (ii) the participant's actual job scope and responsibilities; and (iii) the prevailing economic conditions.

The Scheme is a performance incentive scheme which will form an integral part of the Company's incentive compensation program. The Scheme shall continue in force at the discretion of the RC, subject to a maximum period of ten (10) years commencing on the date which the Scheme is adopted by the Company in general meeting, provided always that it may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Company has not granted any Awards since the date of approval of the Scheme. Accordingly, the disclosure requirements under Rule 852(1)(b), (c) and (d) of the SGX-ST Listing Manual are not applicable.

## Accountability and Audit

### Risk Management and Internal Controls

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.**

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Company's systems of internal controls and risk management, and for reviewing the adequacy and effectiveness of those systems on an annual basis. The internal control and risk management functions are performed by the Company's Key Management Personnel and reported to the AC for review.

It should be noted, in the opinion of the Board, that such system is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and that it can provide only reasonable, and not absolute, assurance against material misstatement of loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

The Board understands its accountability to the shareholders on the Company's performance, position and prospect. The Management provides all Board members with management reports and accounts, which reflect a balanced, understandable assessment of the Company's performance, position and prospect on a regular basis.

The Board has also taken steps to ensure compliance with legislative and regulatory requirements. In line with the SGX Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements. For the financial year review, the CEO and Group Financial Controller have provided assurance to the Board on the integrity of the Company's financial statements.

All the Directors and executive officers of the Company also signed undertaking letters pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

It is the Board's policy to provide the shareholders with all important and price sensitive information on a timely basis. These are done through the SGXNet in the form of half-yearly announcements, or as and when necessary in order to discharge their duties effectively.

The Board also notes that all internal control systems and risk managements systems contain inherent limitations and no system of internal controls or risk management system could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human errors, losses, fraud or other irregularities.



# CORPORATE GOVERNANCE REPORT

For FY2020, the Board has received assurances from:-

- (a) the CEO and Group Financial Controller of the Company that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the CEO and other Key Management Personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems in addressing financial, operational, compliance and information technology risks are operating effectively.

Based on the internal controls established and maintained by the Company, External Auditors' report, the existing management controls put in place and reviews by the Management, the Board with the concurrence of the AC is of the opinion that the Company's internal controls and risk management procedures in addressing financial, operational, compliance and information technology controls and risk management systems maintained by the Company during the year were adequate and effective for FY2020.

No risk management committee has been established as the AC has assumed the responsibility of the risk management function and oversees the overall adequacy and effectiveness of the Company's risk management systems and procedures. The internal control and risk management functions are performed by the Company's Key Management Personnel and reported to the AC for review. The Company will consider the need to establish a risk management committee to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies should circumstances change.

## Audit Committee

### Principle 10: The Board has an Audit Committee which discharges its duties objectively.

As at the date of this report, the AC currently comprises of three members, the majority of whom are Non-Executive Independent Directors.

During FY2020, the members of the AC are:-

- (1) Toh Tiong San (Chairman)
- (2) Chin Yew Choong David
- (3) Yap Kian Peng

As not all the members of the AC are non-executive, this practice deviates from Provision 10.2 of the Code and in view of currently the Company does not have material business or operations following the disposal of the entire business and business assets during the financial year, the Board is progressively taking step to appoint the Non-Executive Director to be in line with the Code.

The AC is established to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records and develop and maintain effective systems of internal controls. The Board is of the opinion that the members of the AC possess the necessary qualifications and relevant accounting or related financial management expertise or experience in discharging their duties. The details of the Board members' qualifications and experience are presented in this Annual Report under the heading "Board of Directors".

The AC is governed by its terms of reference, which was reviewed and amended, where appropriate, to adopt relevant best practices set out in the Guidebook and the Code. The terms of reference is used as a reference to assist the AC in discharging its responsibilities and duties, which include:-

- (a) Reviewing the audit plan, system of internal controls and the audit report in consultation with the External Auditors and reporting to the Board of Directors at least annually;
- (b) Reviewing the assistance given by the Company's officers to the External Auditors;
- (c) Reviewing the independence and objectivity of the External Auditors annually;
- (d) Nominating External Auditors for re-appointment;

# CORPORATE GOVERNANCE REPORT

- (e) Reviewing the half-year and full-year results and the respective announcements before submission to the Board of Directors;
- (f) To give due consideration to the requirements of Listing Manual of the SGX-ST;
- (g) Reviewing interested person transactions in accordance with the requirements of Listing Manual of the SGX-ST; and
- (h) Determine the Company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems.

In discharging the above duties, the AC confirms that it has full access to and co-operation from Management and is given full discretion to invite any Executive Director to attend its meetings. In addition, the AC has also been given reasonable resources to enable it to perform its functions properly.

The AC, having reviewed the scope and value of non-audit services provided to the Company by the External Auditors, are satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors. The AC has recommended to the Directors the nomination of Messrs RSM Chio Lim LLP for re-appointment as External Auditors of the Company at the forthcoming AGM for FY2020.

The Company has paid the following aggregate amount of fees to External Auditors, for services rendered for FY2020:-

Fees to External Auditors	Company	
	2020 S\$'000	2019 S\$'000
Audit services (RSM Chio Lim LLP)	32	91
Audit services (other External Auditors)	–	–
Non-audit service	6	6
Total	38	97

The AC meets with the External Auditors without the presence of the Company's Management, at least once a year.

The AC and the Board of the Company confirmed that in appointing the auditing firms for the Company, subsidiaries and significant associated companies, the Company has complied with SGX-ST Listing Rules 712 and 716 respectively.

In July 2010, the Singapore Exchange Limited and ACRA had launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the AC in evaluating the External Auditors. In October 2015 with the support from SGX-ST and Singapore Institute of Directors, ACRA issued the "Audit Quality Indicators" ("AQIs") disclosure framework to assist the AC in the said evaluation. Accordingly, the AC had evaluated the performance of the External Auditors based on the AQIs, such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Company's audit, taking into account the size and complexity of the Company. Accordingly, the AC had evaluated the External Auditors based on the AQIs at engagement and/or firm-level.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the AC, and highlighted by the External Auditors in their meetings with the AC. In line with the Provision 10.3 of the Code, no former partner or Director of the Company's existing auditing firm has acted as a member of the AC.

With the introduction of the new and revised Auditor Reporting Standards applicable to the audit of financial statements for periods ending on or after 15 December 2016, the External Auditors are required to include the Key Audit Matters ("KAM") in the Independent Auditor's Report of the Company. KAM typically include significant risk areas of the financial statements most susceptible to misstatements, involving key judgements and estimates, as well as major transactions that require extensive auditing efforts. In line with the recommendations by SGX-ST, ACRA and Monetary Authority of Singapore to provide greater transparency and enhance the quality of SGX-ST listed companies' corporate reporting, the AC had discussed and noted, together with the External Auditors and the Management, on the approach and methodology applied by the External Auditors in relation to the assessment of judgements and estimates on the significant matters reported in the KAM.

# CORPORATE GOVERNANCE REPORT

The Company has adopted a Whistle Blowing Policy with the objective of providing a process for staff to raise, in confidence and without fear of retaliation, incidents of possible improprieties in matters of financial reporting or other matters to the Chairman of the AC.

During FY2020, the AC members have met twice and the details of attendance are disclosed in the table reflected below:-

Names of Members	Number of meetings held	Number of meetings attended
Toh Tiong San	2	2
Chin Yew Choong David	2	2
Yap Kian Peng	2	2

## Internal Audit

The Board recognises the importance of maintaining an internal audit function to provide an independent assurance over the soundness of the system of internal controls within the Company to safeguard shareholders' investments and the Company's assets. The AC has the responsibility to review the adequacy of the internal audit function annually, review the internal audit program and ensure co-ordination between internal auditors, External Auditors and Management, and ensure that the internal auditors meets or exceeds the standards set by nationally or internationally recognized professional bodies. The AC also reviews and approves the hiring, removal and evaluates its outsourced internal auditors.

The Company is currently a cash company following the disposal of the entire business and business assets during the financial year. The AC and Board are of the view that the current system of internal controls is generally adequate for the Company and hence internal audit would not be required.

The Company acknowledges the need to establish the internal audit function once it has operating business and would assess the need for internal audit once it has changed the status of a cash company.

Based on the audit reports and management controls in place, and having regard to the scope and nature of the Company's current operations, the AC is satisfied that the internal control systems (including financial, operational, compliance and information technology controls) provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable. In the course of their statutory audit, the Company's External Auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the External Auditors are reported to the AC.

## Shareholder Rights and Engagement

### Shareholder Rights and Conduct of General Meetings

**Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights, and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

All shareholders are treated fairly and equitably to facilitate their ownership rights to participate effectively in and vote at general meetings. Shareholders are also informed on the procedures for the poll voting at the general meetings. The Regulations of Constitution allow a member of the Company, who is unable to attend the general meeting in person, to appoint up to two (2) proxies to attend and vote at the meeting in place of the member.

# CORPORATE GOVERNANCE REPORT

The Company believes that a high standard of transparent corporate disclosure is crucial to raising the level of corporate governance. All information relating to the Company's new initiatives are first disseminated via SGXNet followed by a news release (if appropriate), which is also available on the corporate website of the Company.

The Board notes that there should be separate resolutions on each substantially separate issue that may be tabled at the general meeting. Notices of general meetings are dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 clear calendar days before the meeting for ordinary resolutions and/or 21 clear calendar days before the meeting for special resolutions.

At the AGM, shareholders are given opportunities to express their views and the Board welcomes the views of shareholders who wish to raise issues concerning the Company, either informally or formally before or during these general meetings. The Chairman of the AC, NC and RC are normally present and available to address questions relating to the work of their respective committees at general meetings. Furthermore, the External Auditors are present to assist our Board in addressing any relevant queries raised by our shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

The Company's Constitution allows corporations and members of the Company to appoint one (1) or two (2) proxies to attend and vote at general meetings. A relevant intermediary may appoint more than 2 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). 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.

The Company is not implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved.

For greater transparency and fairness in the voting process, voting at shareholders' meetings were conducted by poll since 2013. This allows all shareholders present or represented at the meetings to vote on a one-share-one vote basis. The voting results of all votes cast for or against each resolution is then announced at the meeting and broadcasted via SGXNet after the meeting.

The Company prepares minutes of general meetings incorporating the substantial and relevant comments or queries from shareholders that is relevant to the agenda of the meeting and responses from the Board and the Management. These minutes are available to shareholders upon their request.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends paid will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

Although declaring and recommending dividend is not fixed, the Board of Directors' policy is to recommend dividends consistent with the Company's objective, inter alia of maximising shareholders' value. The Board will carefully consider and evaluate the aforementioned before proposing any dividend.

## Engagement with Shareholders

**Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.**

The Company recognises the importance of actively engaging with shareholders to promote effective and fair communication. The Board acknowledges that the Company has to fulfill its obligation to furnish timely and material information to shareholders and to ensure full and appropriate disclosure of such information is made for complying with statutory requirements as well as rules prescribed under the Listing Manual of SGX-ST. Any price sensitive information will be publicly released through on SGXNet.

# CORPORATE GOVERNANCE REPORT

To keep all shareholders of the Company informed on various announcements of the Company, the shareholders can access the Company's announcements and annual reports through the SGXNet.

The newsletters to all shareholders consist of information and message from the Company to the shareholders, projects updates for the shareholders to understand the business of the Company, the future expansion plan of the Company as well as highlights on the Company's recent projects and events.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts. All shareholders of the Company will receive the annual report with an accompanying notice of AGM by post. The notice of AGM is also published in the newspaper within the mandatory period, the AGM of which is to be held within four months after the close of the financial year.

Although the Company has not adopted a formal investor relations policy to regularly convey pertinent information to the shareholders, the Board acknowledges its obligation to furnish timely information to shareholders and ensures that full disclosure of material information in its Annual Report to comply with statutory requirements and the Listing Manual of the SGX-ST is made. By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company focuses on facilitating the communications with all stakeholders, shareholders, analysts and media on a regular basis, attending to their queries or concerns as well as keeping the investors publicly apprised of the Company's corporate developments and financial performance.

## Managing Stakeholders Relationships

### Engagement with Stakeholders

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.**

The Board considers the Company's obligations to its shareholders and also the interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company's long-term sustainability. Stakeholders are parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified and engaged its material stakeholder groups as customers, constructors, suppliers, employees, landlords, investors, media, government, institutions and the communities.

To keep all stakeholders of the Company updated, the Company maintain a current corporate website on the latest announcements of the Company.

## DEALINGS IN SECURITIES

The Company has adopted its own Code of Best Practices on dealing in the securities of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with Rule 1207(19) of the Listing Manual of the SGX-ST.

In compliance with the SGX-ST Listing Manual, the Company, all Directors, officers and employees are prohibited from dealing in the Company's securities during the period commencing one month prior to the announcement of the Company's half year and full year results and ending on the date of announcement of the results. All Directors, officers and employees are prohibited from dealing in the Company's shares on short term consideration.

All Directors and those who are in possession of price sensitive information are also advised to observe insider trading laws at all times even when dealing in the Company's securities within the permitted trading period.

# CORPORATE GOVERNANCE REPORT

## INTERESTED PERSON TRANSACTIONS

Name of interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Jackspeed Holdings Pte. Ltd.	The sole director and shareholder of the interested person, Mr Yap Kian Peng, is also the Executive Deputy Chairman and CEO of the Company.	Nil	S\$48,000,000

Under the shareholders' mandate obtained on 15 November 2019, the Company had on 3 January 2020 completed the disposal of the Company's business and business assets to an interested person, Jackspeed Holdings Pte. Ltd. (the "**Purchaser**") for a cash consideration of S\$48,000,000 (the "**Disposal**"). As per the sale and purchase agreement on the Disposal, the Purchaser shall assume all corporate guarantees in relation to the subsidiaries' banking facilities of approximately S\$97,400,000.

The major financial institutions granting more than 90% of the banking facilities had given their written consents for the replacement in guarantees by the Disposal completion date on 3 January 2020. The banking facilities of these major financial institutions that consented are more than sufficient to replace the outstandings of the financial institutions that are still processing the consent for the replacement in guarantees. The Company and the Purchaser are in the process of working with all financial institutions to complete the change. In relation to the banking facilities of the financial institutions that are still processing the consent for replacement in guarantees, the amount utilised is S\$1,264,000 as at the end the financial year.

## MATERIAL CONTRACTS

Except for the interested person transactions conducted under shareholders' mandate disclosed in this report, there were no material contracts made by the Company and its subsidiaries involving the interest of the CEO, each Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

## SUSTAINABILITY REPORTING

The Company had on 6 May 2020 announced the non-issuance of the sustainability report under Rule 711A of SGX-ST Listing Manual for the financial year.

The key rationale for sustainability reporting is to provide stakeholders a holistic view of the impacts and performance of the Company's business and operations, in the aspects of environment, social and governance. The Company has completed the disposal of its business and business assets on 3 January 2020.

In view that the Company ceased to have any material business or operations, a sustainability report for the financial year would not be relevant or meaningful.

# CORPORATE GOVERNANCE REPORT

**TABLE A**

To provide the information as set out in [Appendix 7.4.1](#) relating to the candidate who is proposed to be appointed for the first time or re-elected to the board at a general meeting, in the notice of meeting, annual report or relevant circular distributed to shareholders prior to the general meeting.

The Directors named below are retiring and being eligible, offer themselves for re-election at the upcoming AGM:-

Name of Director	Yap Kian Peng	Toh Tiong San
Date of appointment	16 December 2010	21 September 2015
Date of last re-appointment (if applicable)	N.A.	N.A.
Age	53	53
Country of principal residence	Singapore	Singapore
The Board's comments on NC's recommendation for re-election	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr Yap's performance as Executive Deputy Chairman and CEO of the Company.	The Board of Directors of the Company has accepted the NC's recommendation to re-elect Mr Toh as Independent Director of the Company, after taking into consideration of Mr Toh's performance since he was appointed as Non-Executive Independent Director of the Company.  The Board considers Mr Toh to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether appointment is executive, and if so, the area of responsibility	Executive.  Mr Yap is involved in the day-to-day business of the Company and leads Management in setting strategies, objectives and is responsible for the development and financial performance of the Company.	Non-Executive and Independent.
Job Title	Executive Deputy Chairman, CEO and Member of Remuneration and Audit Committees	Independent Director, Chairman of Audit and Nominating Committees and Member of Remuneration Committee
Professional Qualifications	Mr Yap graduated with Bachelor's degree in Business (Business Administration) from RMIT University, Australia.	Mr Toh graduated with Honours Degree in Electrical Engineering from National University of Singapore.



# CORPORATE GOVERNANCE REPORT

Name of Director	Yap Kian Peng	Toh Tiong San
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Working experience and occupation(s) during the past 10 years	Executive Deputy Chairman and CEO of the Company.	2012-2014: Director of Atrium Asia Investment Management Pte Ltd 2009-2012: Managing Director of Emirates Tarian Asset Management Pte Ltd 2007-2008: CEO of Sunmax Capital Pte Ltd (renamed as Timbre Capital Pte Ltd) 2006-2007: Managing Director of Emirates Tarian Asset Management Pte Ltd
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	None	None
<b>Shareholding details</b>	Not applicable	Not applicable
Other Principal Commitments* Including Directorships#  * "Principal Commitments" has the same meaning as defined in the Code  # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	<u>Past (for the last 5 years)</u> 1. Soon Lian Holdings Limited – retired on 19 May 2020  <u>Present</u> 1. Capital Equity Holdings Pte Ltd 2. Seroja Investments Limited 3. M Development Ltd. 4. Jackspeed Holdings Pte. Ltd.	<u>Past (for the last 5 years)</u> None  <u>Present</u> 1. Raffles Infrastructure Holdings Limited

The retiring Directors have responded negative to items (a) to (k) listed in Rule 720(6) of the Listing Rules of SGX-ST.

# STATEMENT BY DIRECTORS

The directors of Jackspeed Corporation Limited (the “Company”) are pleased to present the financial statements of Company for the reporting year ended 29 February 2020.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company for the reporting year covered by the financial statements; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

## 2. Directors

The directors of the Company in office at the date of this statement are:

Chin Yew Choong David  
Yap Kian Peng  
Toh Tiong San  
Chua Sze Chyi

## 3. Directors’ interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interest in shares in or debentures of the Company or other related body corporate as recorded in the register of directors’ shareholdings kept by the Company under section 164 of the Companies Act, Chapter 50 (the “Act”).

The directors’ interests as at 21 March 2020 were the same as those at the end of the reporting year.

## 4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## 5. Options

During the reporting year, no option to take up unissued shares of the Company was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

# STATEMENT BY DIRECTORS

## 6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

## 7. Report of audit committee

The members of the audit committee as at the date of this report are as follows:

Toh Tiong San	(Chairman of audit committee)
Chin Yew Choong David	(Independent director)
Yap Kian Peng	(Executive director)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor on their audit plan;
- Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them;
- Reviewed the financial statements of the Company prior to their submission to the directors of the Company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor's objectivity and independence are safeguarded where the independent auditor provides non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next annual general meeting of the Company.

## 8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the Company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 29 February 2020.

# STATEMENT BY DIRECTORS

## 9. Subsequent developments

There are no significant developments subsequent to the release of the Company's preliminary financial statements, as announced on 22 April 2020, which would materially affect the Company's operating and financial performance as of the date of this report.

On behalf of the directors

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Yap Kian Peng  
Director

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Chua Sze Chyi  
Director

26 May 2020

# INDEPENDENT AUDITOR'S REPORT

To the Members of JACKSPEED CORPORATION LIMITED (*Registration No: 199300300W*)

## Report on the audit of the financial statements

### Opinion

We have audited the accompanying financial statements of Jackspeed Corporation Limited (the "Company"), which comprise the statement of financial position as at 29 February 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the reporting year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS (I)) so as to give a true and fair view of the financial position of the Company as at 29 February 2020 and of the financial performance, changes in equity and cash flows of the Company for the reporting year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

### Other information

Management is responsible for the other information. The other information comprises the information included in statement by the directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

# INDEPENDENT AUDITOR'S REPORT

To the Members of JACKSPEED CORPORATION LIMITED (*Registration No: 199300300W*)

## **Responsibilities of management and directors for the financial statements (cont'd)**

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITOR'S REPORT

To the Members of JACKSPEED CORPORATION LIMITED (*Registration No: 199300300W*)

## **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Thiam Soon.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

26 May 2020  
Engagement partner - effective from year ended 28 February 2018



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 29 February 2020

	Notes	2020 \$'000	2019 \$'000
<b>Revenue</b>		–	–
Cost of sales		–	–
<b>Gross profit</b>		–	–
Other income and gains	4	<b>7,783</b>	–
Administrative expenses		<b>(636)</b>	(644)
<b>Profit/(loss) before tax from continuing operations</b>		<b>7,147</b>	(644)
Income tax expense	7	–	–
<b>Profit/(loss) from continuing operations</b>		<b>7,147</b>	(644)
<b>Discontinued operations</b>			
Profit after tax from discontinued operations	8	<b>3,551</b>	1,630
<b>Profit for the year</b>		<b>10,698</b>	986
<b>Other comprehensive income/(loss):</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Fair value changes on debt asset instruments at FVTOCI, net of tax	19	–	(3)
Fair value reserve transfer to profit or loss arising from disposal	19	<b>11</b>	–
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>11</b>	(3)
<b>Total comprehensive income for the year</b>		<b>10,709</b>	983
<b>Earnings/(loss) per share</b>			
Earnings/(loss) per share currency unit		<b>Cents</b>	Cents
<b>Basic and diluted</b>	9		
Continuing operations		<b>2.37</b>	(0.21)
Discontinued operations		<b>1.18</b>	0.54
<b>Total</b>		<b>3.55</b>	0.33

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 29 February 2020

	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Plant and equipment	10	–	148
Investments in subsidiaries	11	–	16,338
Investment in an associate	12	–	3,024
Investment in a joint venture	13	–	–
Other financial assets	14	–	264
<b>Total non-current assets</b>		<b>–</b>	<b>19,774</b>
<b><u>Current assets</u></b>			
Trade and other receivables	15	<b>2,175</b>	16,662
Other assets	16	<b>27</b>	485
Cash and cash equivalents	17	<b>275</b>	9,908
<b>Total current assets</b>		<b>2,477</b>	27,055
<b>Total assets</b>		<b>2,477</b>	<b>46,829</b>
<b>EQUITY AND LIABILITIES</b>			
<b><u>Equity</u></b>			
Share capital	18	<b>293</b>	36,865
Treasury shares	18	<b>(50)</b>	(50)
(Accumulated losses)/retained earnings		<b>(34)</b>	169
Other reserves	19	–	(11)
<b>Total equity</b>		<b>209</b>	36,973
<b><u>Current liabilities</u></b>			
Trade and other payables	20	<b>324</b>	8,549
Other financial liabilities	21	<b>1,944</b>	1,307
<b>Total current liabilities</b>		<b>2,268</b>	9,856
<b>Total liabilities</b>		<b>2,268</b>	9,856
<b>Total equity and liabilities</b>		<b>2,477</b>	<b>46,829</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

Year Ended 29 February 2020

	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings/ (accumulated losses) \$'000	Other reserves \$'000
<b>Current year:</b>					
Opening balance at 1 March 2019	36,973	36,865	(50)	169	(11)
<b>Changes in equity:</b>					
Total comprehensive income for the year	10,709	–	–	10,698	11
Share capital reduction (Note 18)	(36,572)	(36,572)	–	–	–
Dividends paid on equity shares (Note 22)	(10,901)	–	–	(10,901)	–
<b>Closing balance at 29 February 2020</b>	<b>209</b>	<b>293</b>	<b>(50)</b>	<b>(34)</b>	<b>–</b>
<b>Previous year:</b>					
Opening balance at 1 March 2018	37,549	36,865	–	692	(8)
<b>Changes in equity:</b>					
Total comprehensive income/(loss) for the year	983	–	–	986	(3)
Purchase of treasury shares (Note 18)	(50)	–	(50)	–	–
Dividends paid on equity shares (Note 22)	(1,509)	–	–	(1,509)	–
<b>Closing balance at 28 February 2019</b>	<b>36,973</b>	<b>36,865</b>	<b>(50)</b>	<b>169</b>	<b>(11)</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

Year Ended 29 February 2020

	2020	2019
	\$'000	\$'000
<b><u>Cash flows from operating activities</u></b>		
Profit/(loss) before tax:		
Continuing operations	7,147	(644)
Discontinued operations	3,551	1,630
	<b>10,698</b>	<b>986</b>
Adjustments for:		
Interest income	(236)	(118)
Interest expense	57	40
Depreciation of plant and equipment	50	80
Gain on disposal of debt asset instrument	(4)	–
Gain on disposal of business and business assets	(7,783)	–
(Reversal of allowance)/allowance for impairment of other receivables	(39)	720
Loss on disposal of plant and equipment	–	4
Allowance for impairment on investment in an associate	–	460
Operating cash flows before changes in working capital	2,743	2,172
Trade and other receivables	(2,673)	1,021
Other assets	(1)	(451)
Trade and other payables	47	713
Net cash flows from operations before tax	116	3,455
Income taxes paid	–	–
Net cash flows from operating activities	<b>116</b>	<b>3,455</b>
<b><u>Cash flows from investing activities</u></b>		
Additional investment in a subsidiary	(1,320)	–
Proceeds from disposal of plant and equipment	–	239
Proceeds from disposal of debt asset instrument	279	–
Purchase of plant and equipment (Note 10)	(10)	(2)
Net movements in loans to external parties	600	1,582
Net movements in amounts due to an associate	(1,829)	(4,273)
Proceeds from disposal of business and business assets, net of cash (Note 6)	38,768	–
Interest received	240	114
Net cash flows from/(used in) investing activities	<b>36,728</b>	<b>(2,340)</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

Year Ended 29 February 2020

	2020	2019
	\$'000	\$'000
<b>Cash flows from financing activities</b>		
Net movements in amounts due from subsidiaries	416	1,019
Purchase of treasury shares	–	(50)
Share capital reduction and cash distribution to equity owners	(36,572)	–
Dividends paid to equity owners	(10,901)	(1,509)
Increase in other financial liabilities	638	1,113
Interest paid	(58)	(37)
Net cash flows (used in)/from financing activities	(46,477)	536
<b>Net (decrease)/increase in cash and cash equivalents</b>	(9,633)	1,651
Cash and cash equivalents, statement of cash flows, beginning balance	9,908	8,257
<b>Cash and cash equivalents, statement of cash flows, ending balance (Note 17)</b>	<b>275</b>	<b>9,908</b>

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 1. General

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the Company are those of investment holding and the provision of management services.

The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office address of the Company is: 221 Henderson Road #06-15 Singapore 159557. The Company is situated in Singapore.

The Company had on 3 January 2020 completed the disposal of its business and business assets to a related party for a cash consideration of \$48,000,000 (Note 6). Following the disposal, the Company does not have any subsidiary as at the end of the reporting year. As such, only the financial statements of the Company are presented. Results of the disposed business are shown in Note 8 to the financial statements.

### Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS (I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

### Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

### Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 2. Significant accounting policies and other explanatory information

### 2A. Significant accounting policies

#### Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

**Sale of goods** – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

**Services** – Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

#### Other income

Interest income is recognised using the effective interest method. Dividend from equity instruments is recognised in profit or loss only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

#### Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries contribute to defined contribution superannuation funds based on their local requirements. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

#### Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.



# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Income tax

The income taxes are accounted for using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

#### Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and equipment – 10% to 100%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-to-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

#### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity. An investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

#### Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the Company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

#### Joint arrangements – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is a party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures is accounted for at cost less any allowance for impairment in value in accordance with the financial reporting standard on investments in associates (as described above for associates).

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at the end of each reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Financial instruments (cont'd)

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

#### Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

#### Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2B. Other explanatory information

#### Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

#### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

#### Discontinued operations

The results of discontinued operations are presented separately in profit or loss. A discontinued operation is a component of the business that represents a separate major line of business or geographical area of operations that has been sold, or classified as held for sale or has been abandoned. They are shown separately in profit or loss and comparative figures are restated to reclassify them from continuing to discontinued operations.

### 2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful trade receivables:

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 15 on trade and other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Cheng Kwee Kiang.

### 3A. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

On 3 January 2020, the Company completed the disposal of its entire business and business assets to a related party, Jackspeed Holdings Pte. Ltd. ("JHPL"). Under the sale and purchase agreement on the disposal of the Company's business and business assets, JHPL shall assume all corporate guarantees in relation to the subsidiaries' banking facilities of approximately \$97,400,000. JHPL is related to the chief executive officer of the Company.

The Company is in the process of transferring these corporate guarantees to JHPL. Financial institutions granting more than 90% of the banking facilities had given their written consents for the replacement in guarantees by the disposal completion date on 3 January 2020. The banking facilities of these major financial institutions that consented are more than sufficient to replace the outstandings due to the financial institutions. In relation to the banking facilities of the financial institutions that are still processing the consent for replacement in guarantees, the amount utilised is \$1,264,000 as at the end of the reporting year.

### 3B. Key management compensation:

	2020	2019
	\$'000	\$'000
Salaries and other short-term employee benefits	1,431	1,496

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	2020	2019
	\$'000	\$'000
Remuneration of directors of the Company	1,087	1,160
Fees to directors of the Company	196	163

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

### 3. Related party relationships and transactions (cont'd)

#### 3C. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Subsidiaries	
	2020	2019
	\$'000	\$'000
<u>Other receivables/(other payables):</u>		
Balance at beginning of the year	712	2,451
Amounts paid out and settlement of liabilities on behalf of subsidiaries	9,367	4,783
Amounts received and settlement of liabilities on behalf of the Company	–	(5,802)
Transfer on disposal of business and business assets	(10,118)	–
Reversal of/(allowance for) impairment	39	(720)
Balance at end of the year	–	712
Presented as follows:		
Other receivables, net of allowance for impairment (Note 15)	–	4,752
Other payables (Note 20)	–	(4,040)
	–	712
	<u>Associate</u>	
	2020	2019
	\$'000	\$'000
<u>Other payables:</u>		
Balance at beginning of the year	(3,087)	(7,360)
Amounts paid out and settlement of liabilities on behalf of associate	–	4,273
Transfer on disposal of business and business assets	3,087	–
Balance at end of the year (Note 20)	–	(3,087)



# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

### 3. Related party relationships and transactions (cont'd)

#### 3C. Other receivables from and other payables to related parties: (cont'd)

	Related parties	
	2020	2019
	\$'000	\$'000
<u>Other receivables/(other payables):</u>		
Balance at beginning of the year	40	–
Amounts paid out and settlement of liabilities on behalf of related parties	–	250
Amounts received and settlement of liabilities on behalf of the Company	(9)	(210)
Transfer on disposal of business and business assets	(40)	–
Balance at end of the year	<u>(9)</u>	<u>40</u>
Presented as follows:		
Other receivables (Note 15)	–	40
Other payables (Note 20)	(9)	–
	<u>(9)</u>	<u>40</u>

### 4. Other income and gains and (other expenses)

	2020	2019
	\$'000	\$'000
Gain on disposal of business and business assets	7,783	–
Reversal of allowance/(allowance) for impairment of other receivables from subsidiaries	39	(720)
Allowance for impairment of investment in an associate	–	(460)
Foreign exchange adjustment (loss)/gain	(28)	154
Loss on disposal of plant and equipment	–	(4)
Gain on disposal of debt asset instrument	4	–
Government grant income	2	15
Net	<u>7,800</u>	<u>(1,015)</u>
Presented in profit or loss as:		
<u>Continuing operations:</u>		
Other income and gains	7,783	–
Subtotal	<u>7,783</u>	<u>–</u>
<u>Discontinued operations (Note 8):</u>		
Other income and gains	45	169
Other expenses	(28)	(1,184)
Subtotal	<u>17</u>	<u>(1,015)</u>
Net	<u>7,800</u>	<u>(1,015)</u>

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 5. Employee benefits expense

	2020	2019
	\$'000	\$'000
Employee benefits expense	1,219	2,331
Contributions to defined contribution plans	62	65
Total employee benefits expense	<b>1,281</b>	2,396
The employee benefits expense is charged as follows:		
<u>Continuing operations:</u>		
Administrative expenses	209	209
<u>Discontinued operations (Note 8):</u>		
Administrative expenses	1,072	2,187
Total employee benefits expense	<b>1,281</b>	2,396

## 6. Disposal of business and business assets

On 15 November 2019, the shareholders of the Company approved the proposed disposal of the entire business and undertaking of the Company as a going concern which involves (a) 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 all its subsidiaries and associated companies for a total cash consideration of \$48,000,000. The disposal was completed on 3 January 2020.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 6. Disposal of business and business assets (cont'd)

The following table is a summary of the carrying amounts of the Company's assets and liabilities that were sold on 3 January 2020:

	At date of disposal in 2020 \$'000
Investments in subsidiaries	17,658
Investment in an associate	3,024
Investment in a joint venture	– <sup>(1)</sup>
Plant and equipment	108
Trade and other receivables	18,217
Other assets	459
Cash and cash equivalents	9,012
Total identifiable assets	<u>48,478</u>
Trade and other payables	<u>8,481</u>
Total identifiable liabilities	<u>8,481</u>
Identifiable net assets disposed	<u>39,997</u>
Add: Gain on disposal	<u>8,003</u>
Cash proceeds from disposal	<u>48,000</u>
Less: Cash and cash equivalents disposed	<u>(9,012)</u>
Less: Expenses incurred in connection with the disposal	<u>(220)</u>
Net cash inflow on disposal	<u>38,768</u>
Gain on disposal, net of expenses	<u>7,783</u>

<sup>(1)</sup> Amount is less than \$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 7. Income tax

### 7A. Components of tax expense recognised in profit or loss include:

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2019: 17.0%) to profit before income tax as a result of the following differences:

	2020 \$'000	2019 \$'000
Profit/(loss) before tax from:		
Continuing operations	7,147	(644)
Discontinued operations	3,551	1,630
	<b>10,698</b>	<b>986</b>
Income tax expense at the above rate	1,819	168
Income not subject to tax	(1,956)	(348)
Unrecognised deferred tax assets	137	180
Total income tax expense	<b>–</b>	<b>–</b>

There are no income tax consequences of dividends to owners of the Company.

### 7B. Deferred tax income recognised in profit or loss includes:

	2020 \$'000	2019 \$'000
Tax loss carryforwards	137	180
Unrecognised deferred tax assets	(137)	(180)
Total deferred tax income recognised in profit or loss	<b>–</b>	<b>–</b>

### 7C. Deferred tax balance in the statement of financial position:

	2020 \$'000	2019 \$'000
<u>From deferred tax assets recognised in profit or loss:</u>		
Tax loss carryforwards	(450)	(313)
Unrecognised deferred tax assets	450	313
	<b>–</b>	<b>–</b>

It is impracticable to estimate the amount expected to be settled or used within one year.

The above deferred tax assets for the tax losses that have not been recognised as the future profit streams are not probable against which the deductible temporary difference can be utilised. The realisation of the future income tax benefits from tax loss carryforwards of \$2,648,000 (2019: \$1,843,000) is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 8. Profit from discontinued operations, net of tax

The discontinued operations mainly relate to the disposal of trading business as part of Jackspeed Business Assets disclosed in Note 6 to the financial statements.

The results from the discontinued operations, which have been included in the financial statements, were as follows:

	2020 \$'000	2019 \$'000
Revenue	11,134	9,698
Cost of sales	(6,290)	(4,631)
Gross profit	4,844	5,067
Interest income	236	118
Other income and gains (Note 4)	45	169
Marketing and distribution costs	(91)	(146)
Administrative expenses	(1,398)	(2,354)
Finance costs – interest expenses	(57)	(40)
Other expenses (Note 4)	(28)	(1,184)
Profit before tax	3,551	1,630
Income tax expense	–	–
Profit net of tax from discontinued operations	<u>3,551</u>	<u>1,630</u>

## 9. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	2020 \$'000	2019 \$'000
A. Numerators: profit/(loss) attributable to equity holders		
Continuing operations	7,147	(644)
Discontinued operations	3,551	1,630
	<u>10,698</u>	<u>986</u>
	2020 Number '000	2019 Number '000
B. Denominators: weighted average number of equity shares	<u>301,002</u>	<u>301,016</u>

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting year.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. There are no dilutive ordinary share equivalents outstanding during each reporting year.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 10. Plant and equipment

	Plant and equipment \$'000
<u>Cost:</u>	
At 1 March 2018	769
Additions	2
Disposals	(280)
Written-off	(1)
At 28 February 2019	490
Additions	10
Transfer on disposal of business and business assets	(490)
Written-off	(10)
At 29 February 2020	–
<u>Accumulated depreciation:</u>	
At 1 March 2018	300
Depreciation for the year	80
Disposals	(37)
Written-off	(1)
At 28 February 2019	342
Depreciation for the year	50
Transfer on disposal of business and business assets	(382)
Written-off	(10)
At 29 February 2020	–
<u>Carrying value:</u>	
At 1 March 2018	469
At 28 February 2019	148
At 29 February 2020	–

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 11. Investments in subsidiaries

	2020 \$'000	2019 \$'000
Cost at beginning of the year	16,338	20,771
Capital injection	1,320	–
Transfer on disposal of business and business assets	(17,658)	–
Cost at end of the year	–	20,771
Carrying value in the books of the Company comprising:		
Unquoted equity shares at cost	–	20,771
Allowance for impairment	–	(4,433)
	–	16,338
Net carrying value of subsidiaries	–	33,688
Analysis of above amount denominated in non-functional currencies:		
United States Dollar	–	881
Malaysian Ringgit	–	1,868
Thai Baht	–	771
Euro	–	38
Movements in impairment allowance:		
Balance at beginning of the year	4,433	4,433
Impairment allowance written-off	(4,433)	–
Balance at end of the year	–	4,433

The subsidiaries held by the Company and its subsidiaries are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Cost		Effective percentage of equity held	
	2020	2019	2020	2019
	\$'000	\$'000	%	%
<u>Held by the Company</u>				
Jackspeed Leather Special Manufacturer (M) Sdn. Bhd. <sup>(1)</sup> Malaysia Production and sale of automotive leather trim (Crowe Horwath, Malaysia)	–	1,868	–	100
Jackspeed Leather Manufacture (Thailand) Co., Ltd. <sup>(1)(2)</sup> Thailand Dormant (Pro Trinity Company Limited)	–	771	–	100

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 11. Investments in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Cost		Effective percentage of equity held	
	2020	2019	2020	2019
	\$'000	\$'000	%	%
<u>Held by the Company (cont'd)</u>				
Jackson Vehicle Holdings Pte. Ltd. Singapore Investment holding (RSM Chio Lim LLP)	–	8,713	–	100
Jackspeed Singapore Pte. Ltd. Singapore Sale of automotive leather trim (RSM Chio Lim LLP)	–	5,000	–	100
PT JLS Indonesia <sup>(4)</sup> Indonesia Dormant	–	– <sup>(8)</sup>	–	99.5
Jackspeed Europe B.V. <sup>(4)</sup> The Netherlands Dormant	–	38	–	100
Jackspeed Leather Manufacturer (Haining) Co., Ltd <sup>(3)(4)</sup> China Dormant	–	881	–	100
Index Credit Pte Ltd Singapore Finance leasing in new and used motor vehicles, car dealer and rental of motor vehicles (RSM Chio Lim LLP)	–	3,500	–	60
Ultimate Vehicle Pty Ltd <sup>(4)</sup> Australia Distribution and installation of automotive leather seating, sunroofs, canopies and automotive accessories	–	– <sup>(8)</sup>	–	100
Simply Infinity Limited <sup>(4)</sup> British Virgin Islands Investment holding	–	– <sup>(8)</sup>	–	100



# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 11. Investments in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Cost		Effective percentage of equity held	
	2020	2019	2020	2019
	\$'000	\$'000	%	%
<u>Held by the Company (cont'd)</u>				
Jackspeed Australia Pty Ltd <sup>(4)</sup> Australia Distribution and installation of automotive accessories	–	– <sup>(8)</sup>	–	100
Simply Investments Pte. Ltd. Singapore Investment holding (RSM Chio Lim LLP)	–	– <sup>(8)</sup>	–	100
<u>Held by subsidiaries</u>				
Jackspeed Industries Sdn. Bhd. <sup>(1)(5)</sup> Malaysia Production and sale of automotive leather trim (Crowe Horwath, Malaysia)	–	158	–	100
J.V. (Thailand) Co., Ltd. <sup>(6)(7)</sup> Thailand Manufacture, assembly and supply of automobile component parts (RSM Audit Services (Thailand) Limited)	–	1,082	–	100
Index Agency Pte. Ltd. <sup>(9)</sup> Singapore Commission agents of motor vehicles (RSM Chio Lim LLP)	–	200	–	60
Dynasty Culture Sdn. Bhd. <sup>(1)(5)</sup> Malaysia Production and sale of automotive leather trim (Crowe Horwath, Malaysia)	–	– <sup>(8)</sup>	–	100

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 11. Investments in subsidiaries (cont'd)

- (1) Other independent auditors. Audited by firms of accountants other than member firms of RSM International, of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.
- (2) 6 ordinary shares of 100 Thai Baht each in Jackspeed Leather Manufacture (Thailand) Co., Ltd. are held in trust by certain directors and ex-employees of the company respectively.
- (3) Subsidiary's reporting year end is 31 December.
- (4) These subsidiaries are exempted from audit by law in the country of incorporation.
- (5) This subsidiary is held by Jackspeed Leather Special Manufacturer (M) Sdn. Bhd..
- (6) This subsidiary is held by Jackson Vehicle Holdings Pte. Ltd.. The subsidiary's 104,100 shares of 100 Thai Baht per preference share are held in trust by a preference shareholder of the subsidiary.
- (7) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
- (8) Cost of investment is less than \$1,000.
- (9) This subsidiary is held by Index Credit Pte Ltd.

As required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

## 12. Investment in an associate

	2020	2019
	\$'000	\$'000
Movements in carrying value:		
Balance at beginning of the year	3,024	3,484
Allowance for impairment loss	–	(460)
Transfer on disposal of business and business assets	(3,024)	–
Total at end of the year	–	3,024
Carrying value comprising:		
Unquoted equity shares at cost	3,484	3,484
Allowance for impairment	–	(460)
Transfer on disposal of business and business assets	(3,484)	–
	–	3,024
Share of net carrying value of associate	–	3,024
Movements in above allowance for impairment:		
Balance at beginning of the year	460	–
Impairment loss charged to profit or loss	–	460
Impairment loss written-off	(460)	–
Balance at end of the year	–	460

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 12. Investment in an associate (cont'd)

The associate held by the Company is listed below:

Name of associate, country of incorporation, place of operations and principal activities (and independent auditor)	Effective percentage of equity held	
	2020 %	2019 %
<u>Held by the Company</u>		
Wenul Assets (Industrial) Pte. Ltd. <sup>(1)(2)(3)</sup> Singapore Real estate development (Assurance Partners LLP)	–	13.4

<sup>(1)</sup> Other independent auditor. Audited by firm of accountants other than member firms of RSM International, of which RSM Chio Lim LLP in Singapore is a member. Their name is indicated above.

<sup>(2)</sup> During the reporting year ended 28 February 2017, the Company entered into a sale and purchase agreement to acquire 100,000 ordinary shares in Wenul Assets (Industrial) Pte. Ltd. ("WAPL") with two individuals, who are non-related parties of the Company, for an aggregate consideration of \$5,200,000. The Company acquired 67,000 ordinary shares representing 13.4% of WAPL for a consideration of \$3,484,000 and the two individuals acquired the remaining 33,000 ordinary shares representing 6.6% of WAPL for a consideration of \$1,716,000. On 15 September 2016, the Company entered into a deed of trust with the two individuals to act as their trustees based on 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 WAPL shares to the individuals as beneficiaries.
- (b) The Company will not at any time transfer the WAPL shares.
- (c) The Company was entitled to exercise all voting and other rights conferred upon it as holder of WAPL shares.

<sup>(3)</sup> The associate was disposed on 3 January 2020 together with those held in trust for the 2 individuals.

## 13. Investment in a joint venture

	2020 \$'000	2019 \$'000
Carrying amount at beginning and end of the year	–	– <sup>(1)</sup>

<sup>(1)</sup> Cost of investment is less than \$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 13. Investment in a joint venture (cont'd)

The joint venture held by the Company is listed below:

Name of joint venture, country of incorporation, place of operations and principal activities (and independent auditor)	Effective percentage of equity held	
	2020 %	2019 %
Jackspeed Euris Japan Pte. Ltd. <sup>(1)(2)(3)</sup> Singapore Design, distribution and installation of automotive seat covers	–	50

<sup>(1)</sup> The joint venture is exempted from audit by law in the country of incorporation.

<sup>(2)</sup> The unaudited management accounts of the joint venture have been used for equity accounting purpose as it is not considered material.

<sup>(3)</sup> The joint venture was disposed on 3 January 2020.

## 14. Other financial assets

	2020 \$'000	2019 \$'000
Movements during the year:		
Fair value at beginning of the year	264	267
Disposals	(264)	–
Decrease in fair value through other comprehensive income (Note 19)	–	(3)
Fair value at end of the year	–	264

The investment was measured at Level 3 of the fair value hierarchy based on the bid price in an inactive market.

During the reporting year, the investment in debt asset instrument at FVTOCI was disposed in market with cumulative gain of \$4,000 (Note 4).

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 15. Trade and other receivables

	2020	2019
	\$'000	\$'000
<u>Trade receivables:</u>		
Outside parties	2,175	1,196
<u>Other receivables:</u>		
Subsidiaries (Note 3) <sup>(a)</sup>	–	8,147
Less: allowance for impairment	–	(3,395)
Related party (Note 3)	–	40
Convertible loan receivable <sup>(b)</sup>	–	9,000
Outside parties <sup>(b)(c)</sup>	–	1,674
Net other receivables – subtotal	–	15,466
Total trade and other receivables	<b>2,175</b>	<b>16,662</b>
<u>Movements in above allowance:</u>		
Balance at beginning of the year	3,395	2,676
Charged to profit or loss	–	720
Written-off	<b>(3,395)</b>	(1)
Balance at end of the year	–	3,395

<sup>(a)</sup> Included a loan of \$800,000 to a subsidiary, Index Credit Pte Ltd and bore interest rate at 12% per annum and was repayable on demand.

<sup>(b)</sup> In 2016 the Company granted a convertible loan of \$10,000,000 to an external party, Prestige Cars Pte. Ltd. (“PCPL”). The loan to PCPL was for the purposes of importing BMW Alpina vehicles and distributing BMW products to the People’s Republic of China (“PRC”) by Prestige Cars Group Pte. Ltd. (“PCGPL”).

The convertible loan receivable was secured by a corporate guarantee from PCGPL and a personal guarantee from the sole shareholder of PCPL and PCGPL. PCGPL and PCPL are owned by a common director of these two entities.

Management had regarded the convertible loan as a hybrid financial instrument, consisting of the host contract (the loan receivable), and an embedded derivative (the option to convert to equity shares of PCGPL) component.

Management had assessed the fair value of the option to be insignificant (Level 3), and the loan receivable to be \$9,000,000 respectively, as PCGPL continues to be in the preliminary stage of venturing into the PRC motor vehicle industry with unproven track results and the future cash flows cannot be reliably estimated. This was measured at Level 3 of the fair value hierarchy.

As the probability of receiving interest payments is uncertain at the moment, interest had not been accrued. Upon receipt of cash (other than from the realisation of the loan), the overall risk will be re-evaluated and, if appropriate, the non-accrued interest is recovered and taken to profit or loss. The loan was not reclassified as interest accruing until the future payments are reasonably assured.

<sup>(c)</sup> Included in other receivables are:

- (i) a loan of \$2,000,000 was made to an external party in 2019 and was repayable by 16 August 2018. The loan bears an interest of 1% per month. \$1,400,000 was repaid in 2019. During the reporting year 2020, the balance loan of \$600,000 was fully repaid.
- (ii) a loan of \$935,000 that was made to an external party in 2018 and was repayable by 31 December 2017. The loan bears an interest of 2% per month. \$292,000 was repaid in 2019.
- (iii) a loan of \$426,000 that was made to an external party in 2020 and was repayable by 3 October 2019. The loan bears an interest of 1% per month.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 15. Trade and other receivables (cont'd)

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 3 years) over the expected life of the trade receivables and is adjusted for forward-looking estimates. No loss allowance is necessary.

There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 90 days (2019: 90 days). But some customers take a longer period to settle the amounts.

Concentration of trade receivable customers as at the end of the reporting year:

	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Top 1 customer	1,960	1,196

Concentration of other receivables as at the end of the reporting year:

	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Top 1 counterparty	–	9,000
Top 2 counterparties	–	9,644

The other receivables at amortised cost shown above were subjected to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Other receivables from related companies were regarded as of low credit risk if they are guaranteed by the parent or a related company with the ability to settle the amount. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 16. Other assets

	2020	2019
	\$'000	\$'000
Deposits to assess a potential investment	–	453
Deposits to secure services	– <sup>(a)</sup>	1
Prepayments	<b>27</b>	31
	<b>27</b>	485

<sup>(a)</sup> Amount is less than \$1,000.

## 17. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Not restricted in use	<b>275</b>	9,908
Interest earning balances	–	8,011

The interest earned for the interest earning balances was not significant.

## 18. Share capital and treasury shares

Share capital	Number of shares issued '000	Share capital \$'000
Ordinary shares of no par value:		
Balance at 1 March 2018 and 28 February 2019	301,252	36,865
Share capital reduction	–	(36,572)
Balance at 29 February 2020	<b>301,252</b>	<b>293</b>

Treasury shares	Number of treasury shares '000	Treasury shares \$'000
Balance at 1 March 2018	–	–
Treasury shares purchased	(250)	(50)
Balance at 28 February 2019 and 29 February 2020	<b>(250)</b>	<b>(50)</b>

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 18. Share capital and treasury shares (cont'd)

On 15 November 2019, the shareholders approved the proposed cash distribution of the sum of approximately \$36,572,000 (equal to approximately \$0.1215 per share) (excluding treasury shares), based on the issued and paid-up share capital of the Company of \$36,865,088 comprising 301,002,279 shares (excluding treasury shares). The proposed cash distribution would not result in a cancellation of shares or a change in the number of shares issued by the Company immediately after the proposed cash distribution. The proposed cash distribution was completed prior to the end of the reporting year.

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

In order to maintain its listing on the Singapore Stock Exchange the Company has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the year. Management receives a report from the registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

### Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	2020	2019
	\$'000	\$'000
Net debt:		
All current and non-current borrowings	1,944	1,307
Less: cash and cash equivalents	(275)	(9,908)
Net debt	<u>1,669</u>	<u>(8,601)</u>
Total equity	<u>209</u>	<u>36,973</u>
Debt-to-adjusted capital ratio	<u>8.0</u>	<u>N.M.</u>

N.M.: Not meaningful



# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 19. Other reserves

	Fair value reserve \$'000
At 1 March 2018	(8)
Fair value loss on other financial assets (Note 14)	(3)
At 28 February 2019	(11)
Transfer to profit or loss upon disposal of other financial assets	11
At 29 February 2020	–

The fair value reserve relates to the changes in fair value of other financial assets.

## 20. Trade and other payables

	2020 \$'000	2019 \$'000
<u>Trade payables:</u>		
Outside parties and accrued liabilities	297	1,410
<u>Other payables:</u>		
Related parties (Note 3)	9	–
Outside parties	18	12
Subsidiaries (Note 3)	–	4,040
Associate (Note 3)	–	3,087
Other payables – subtotal	27	7,139
Total trade and other payables	324	8,549

## 21. Other financial liabilities

	2020 \$'000	2019 \$'000
Financial instruments with fixed interest rates:		
Trust receipts	1,944	1,307
The range of fixed interest rates paid was as follows:		
	2020 %	2019 %
Trust receipts	3.43	4.33

The period of financing under trust receipts is 30 days (2019: 30 days) and the weighted average interest rate is 3.45% (2019: 4.35%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 22. Dividends paid on equity shares

	Rate per share – cents		2020 \$'000	2019 \$'000
	2020	2019		
Final tax exempt (one-tier) dividend paid	–	0.5	–	1,509
Special tax exempt (one-tier) dividend paid	3.6	–	10,901	–
Total dividends paid in the year			10,901	1,509

## 23. Financial instruments: information on financial risks

### 23A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2020 \$'000	2019 \$'000
<b>Financial assets:</b>		
Financial assets at amortised cost	2,450	26,570
Financial assets that is a debt asset instrument at fair value through other comprehensive income (FVTOCI)	–	264
At end of the year	2,450	26,834
<b>Financial liabilities:</b>		
Financial liabilities at amortised cost	2,268	9,856
At end of the year	2,268	9,856

Further quantitative disclosures are included throughout these financial statements.

### 23B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate risk, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 23. Financial instruments: information on financial risks (cont'd)

### 23B. Financial risk management (cont'd)

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

The Company is exposed to currency and interest rate risks. There are no arrangements to manage such risk exposures through derivatives and other hedging instruments.

### 23C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

### 23D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counterparties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credit limits are subject to the same review process.

Note 17 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

### 23E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than 1 year	
	2020	2019
	\$'000	\$'000
Non-derivative financial liabilities:		
Gross borrowing commitments	1,944	1,307
Trade and other payables	324	8,549
At end of the year	<b>2,268</b>	<b>9,856</b>

The undiscounted amounts on the borrowings with fixed interest rates are determined by reference to the conditions existing at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 23. Financial instruments: information on financial risks (cont'd)

### 23E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is 60 days (2019: 60 days). The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statements of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

Financial guarantee contracts – For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	Less than 1 year	
	2020	2019
	\$'000	\$'000
Financial guarantee contracts – in favour of certain subsidiaries	–	115,628
Financial guarantee contracts – in favour of certain related parties	<b>1,264</b>	–

#### Bank facilities:

	2020	2019
	\$'000	\$'000
Undrawn borrowing facilities	<b>400</b>	400

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

### 23F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	2020	2019
	\$'000	\$'000
<u>Financial assets with interest:</u>		
Fixed rate	–	18,989
At end of the year	<b>–</b>	<b>18,989</b>
<u>Financial liabilities with interest:</u>		
Fixed rate	<b>1,944</b>	1,307
At end of the year	<b>1,944</b>	<b>1,307</b>

Sensitivity analysis: The effect on pre-tax profit is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 23. Financial instruments: information on financial risks (cont'd)

### 23G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currencies:

	United States Dollars \$'000
<u>2020</u>	
<u>Financial assets:</u>	
Cash and cash equivalents	45
Loans and receivables	2,167
Total financial assets	<u>2,212</u>
<u>Financial liabilities:</u>	
Other financial liabilities	(1,944)
Total financial liabilities	<u>(1,944)</u>
Net financial assets at end of the year	<u>268</u>
<u>2019</u>	
<u>Financial assets:</u>	
Cash and cash equivalents	3,589
Loans and receivables	1,841
Total financial assets	<u>5,430</u>
<u>Financial liabilities:</u>	
Other financial liabilities	(1,307)
Total financial liabilities	<u>(1,307)</u>
Net financial assets at end of the year	<u>4,123</u>

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis: The effect on pre-tax profit is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

29 February 2020

## 24. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS No.	Title
SFRS (I) 1-12	Improvements (2017) – Amendments: Income Taxes
SFRS (I) 1-23	Improvements (2017) – Amendments: Borrowing Costs

## 25. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting	1 Jan 2020

## 26. Comparative figures

For the reporting year ended 28 February 2019, the financial statements were prepared in accordance with FRS 110 *Consolidated Financial Statements*, which requires the presentation of consolidated financial statements for the Company and its subsidiaries.

As set out in Note 6 to the financial statements, on 3 January 2020, the Company completed the disposal of its entire business and business assets. With the completion of the disposal, the Company does not have any subsidiary or associate as at the end of the reporting year. As such, only separate financial statements of the Company are presented.

# SHAREHOLDINGS STATISTICS

As at 15 May 2020

No of Issued Shares	:	301,002,279 (excluding treasury shares)
Number of Treasury Shares held	:	250,000 (0.08% of 301,252,279 issued shares)
Number of subsidiary holdings held	:	Nil (0% of 301,252,279 issued shares)
Voting rights	:	One vote for each ordinary share (excluding treasury shares)

## ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	39	8.72	33,210	0.01
1,001 - 10,000	171	38.26	1,034,600	0.34
10,001 - 1,000,000	218	48.77	22,073,900	7.33
1,000,001 and above	19	4.25	278,110,569	92.32
	447	100.00	301,252,279	100.00

## TOP 20 SHAREHOLDERS

No.	Name	No. of Shares	%*
1	United Overseas Bank Nominees Pte Ltd	195,701,799	65.02
2	UOB Kay Hian Pte Ltd	29,710,800	9.87
3	Raffles Nominees (Pte) Ltd	10,212,625	3.39
4	Citibank Nominees Singapore Pte Ltd	7,070,870	2.35
5	DBS Nominees Pte Ltd	5,581,200	1.85
6	Tan Nah	4,252,000	1.41
7	Teo Ah Ban	2,959,300	0.98
8	Lim Tien Lock Christopher	2,850,000	0.95
9	Phillip Securities Pte Ltd	2,458,400	0.82
10	Chiew Poh Cheng	2,400,000	0.80
11	Low Chee Leng	2,320,000	0.77
12	Ifast Financial Pte Ltd	2,170,000	0.72
13	Laureen Lim Lizhen	1,885,100	0.63
14	Low Ee Hwee	1,650,000	0.55
15	CGS-CIMB Securities (Singapore) Pte Ltd	1,584,075	0.53
16	Chan Mei Lin Margaret Ella	1,491,900	0.50
17	Seow Ming Liang	1,411,200	0.47
18	Lynsey Lim Lifen	1,324,500	0.44
19	Lee Kay Meng Andy	1,076,800	0.36
20	RHB Securities Singapore Pte Ltd	965,100	0.32
		279,075,669	92.73

# SHAREHOLDINGS STATISTICS

As at 15 May 2020

## SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 15 May 2020, 45.49% of the issued ordinary shares (excluding 250,000 treasury shares) of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

## SUBSTANTIAL SHAREHOLDERS

	No. of Shares		%*
	Direct Interests	Deemed Interests	
Cheng Kwee Kiang	111,230,561	–	36.95
Chua Keng Woon	50,248,700	–	16.69

\* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 15 May 2020, excluding 250,000 treasury shares as at that date.



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Jackspeed Corporation Limited (the “Company”) will be held by way of electronic means on Friday, 26 June 2020 at 9.30 a.m. for the following purposes:-

## AS ORDINARY BUSINESSES

1. To receive and adopt the Directors’ Statements and the Audited Financial Statements of the Company for the financial year ended 29 February 2020 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company who are retiring pursuant to Regulation 107 of the Constitution of the Company:-
  - (i) Mr Yap Kian Peng **(Resolution 2)**
  - (ii) Mr Toh Tiong San **(Resolution 3)**

*[See Explanatory Note (i)]*
3. To approve the payment of Directors’ fees of up to S\$265,000 for the year ending 28 February 2021 to be paid quarterly in arrears (FY2020: S\$265,000). **(Resolution 4)**
4. To re-appoint Messrs RSM Chio Lim LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

## AS SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:-

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That pursuant to Section 161 of the Companies Act, Cap. 50 (“Companies Act”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be authorised and empowered to:-

- (a) (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the “Share Issue Mandate”)

# NOTICE OF ANNUAL GENERAL MEETING

provided that:-

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro-rata* basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:-
  - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with 6(2)(a) or 6(2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of the Share Issue Mandate.

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments, whichever is earlier. **(Resolution 6)**

*[See Explanatory Note (ii)]*

By Order of the Board

Chua Sze Chyi / Siau Kuei Lian  
Joint Company Secretaries

29 May 2020  
Singapore

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:-

- (i) Mr Yap Kian Peng will, upon re-election as Director of the Company, remain as an Executive Deputy Chairman, a member of the Remuneration Committee and Audit Committee and will be considered non-independent. Please refer to Table A of the Corporate Governance Report on page 27 to page 28 in the Annual Report for the detailed information required pursuant to 720(6) of the Listing Manual of the SGX-ST.

Mr Toh Tiong San will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and Nominating Committee and a member of the Remuneration Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to Table A of the Corporate Governance Report on page 27 to page 28 in the Annual Report for the detailed information required pursuant to 720(6) of the Listing Manual of the SGX-ST.

- (ii) The Ordinary Resolution 6, in item 6 above, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a *pro-rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which were issued and outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

## Notes:-

1. A Member of the Company (including a Relevant Intermediary\*) entitled to vote at the Annual General Meeting (the “**Meeting**”) must appoint Chairman of the Meeting to act as proxy and direct the vote at the Meeting.
2. The instrument appointing the Chairman of the Meeting as the proxy must be deposited at the Registered Office of the Company at 221 Henderson Road, #06-15 Henderson Building, Singapore 159557 not less than forty-eight (48) hours before the time appointed for holding the Meeting.
3. The instrument appointing the Chairman of the Meeting as the proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form 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 proxy form 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.
4. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (as may be applicable) and wishes to appoint the Chairman of the Meeting as their proxy should approach their respective CPF/SRS Approved Nominees (CPF Agent Banks or SRS Operators) to submit their votes at least seven (7) working days before 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.

# NOTICE OF ANNUAL GENERAL MEETING

## PERSONAL DATA PRIVACY

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

# NOTICE OF ANNUAL GENERAL MEETING

## IMPORTANT AGM NOTICE ON COVID-19

**Due to the current COVID-19 situation and the related elevated safe distancing measures in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

To comply with the joint announcement released by Singapore Exchange Regulation, the Accounting and Corporate Regulatory Authority and the Monetary Authority of Singapore on the updated guidance on general meetings on 13 April 2020, the Company reserves the right to take appropriate measures to minimise the risk of Shareholders and others attending by limiting the number of attendees in the AGM. During the AGM, the Company will duly comply with measures provided by Ministry of Health, by no means exhaustive, safe distancing, conducting temperature checks, refusal of entry of attendees exhibiting fever or flu-like symptoms, and requiring the signing of health declaration forms (which may also be used for the purposes of contact tracing, if required).

The annual report of the AGM may be accessed at the Company's website at <https://www.jackspeed.com>, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.

Shareholders may participate at the AGM by taking note of the following steps:-

### 1. **Registration for Live Webcast**

Shareholders who wish to participate in the AGM via live webcast must register by sending the following details via the Registration Portal at <http://jackspeed.avaleasemgdwebinar.com> with their full name (as per CDP/CPF/SRS/Scrip-based account records), NRIC/Passport No./Company Registration No., contact number and email address, no later than **9.30 a.m. on 24 June 2020** to enable the Company to verify their status as shareholders.

Following the verification, authenticated shareholders will receive an email no later than **9.30 a.m. on 25 June 2020** which will contain user ID and password details, as well as the link to access the live webcast (the "**Confirmation Email**"). Shareholders who do not receive the Confirmation Email by **9.30 a.m. on 25 June 2020** but have registered by the deadline should contact our Investor Relations team at (65) 6273 0386 or [investoradmin@jackspeed.com](mailto:investoradmin@jackspeed.com).

### 2. **Shareholders' Queries and Answers (Q&A)**

Shareholders will not be able to ask questions during the live webcast, therefore it is important for shareholders to register and submit their questions in advance of the AGM.

If shareholders have any questions in relation to any of the resolutions tabled for approval at the AGM, shareholders may send their queries in advance, **by 9.30 a.m. on 23 June 2020**, via email to our Investor Relations team at [investoradmin@jackspeed.com](mailto:investoradmin@jackspeed.com) and provide their particulars, including their full name as per CDP/CPF/SRS/Scrip-based account records, NRIC/Passport No./Company Registration No., contact number and email address for verification purpose.

The Company will address the substantial queries from shareholders prior to, or at the AGM and upload the Company's responses on the SGXNet. The Company is unable to take on questions through the live webcast proceedings. The minutes of the AGM, which include responses to substantial queries from the shareholders which are addressed during the AGM, shall thereafter be published on SGXNet and the Company's website, within one month from the conclusion of the AGM.

Shareholders, who would have been able to be appointed as proxies by relevant intermediaries under Section 181(1C) of the Companies Act, including CPF and SRS investors, should approach their respective agents, such as CPF Agent Banks and SRS Operators, to submit their questions in relation to any resolution set out in the Notice of AGM prior to the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

### 3. Proxy Voting

Shareholders who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the AGM as their proxy by completing the proxy form attached to the Notice of AGM.

Shareholder must submit the completed and signed proxy form by:-

- (i) Depositing at the Registered Office of the Company at 221 Henderson Road, #06-15 Henderson Building, Singapore 159557

or

- (ii) Email it to [investoradmin@jackspeed.com](mailto:investoradmin@jackspeed.com),

**not less than forty-eight (48) hours before the time appointed for holding the AGM of the Company. Any incomplete proxy forms will be treated as invalid and rejected by the Company.**

A member who wishes to submit an instrument of proxy must download, complete and sign the proxy form, before submitting it by post to the above, or before scanning and sending it by email to the email address provided above.

For CPF or SRS investors who wish to appoint the Chairman as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the general meetings.

**Due to the constantly evolving COVID-19 situation, the Company will closely monitor the situation and reserve the right to change our arrangements for the AGM at short notice. Shareholders should check SGXNet and the above URL for the latest updates of the AGM. The Company apologises for any inconvenience caused and seek the understanding and cooperation of all Shareholders in enabling the Company to hold its AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.**



# JACKSPEED CORPORATION LIMITED

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

**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 inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy.
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.

**PROXY FORM**

*(Please see notes overleaf before completing this Form)*

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No.)

of \_\_\_\_\_ (Address)

being a member/members of **JACKSPEED CORPORATION LIMITED** (the “**Company**”), hereby appoint the **Chairman of the Meeting** as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting (the “**Meeting**”) of the Company to be held by way of electronic means on Friday, 26 June 2020 at 9.30 a.m. and at any adjournment thereof.

I/We direct the Chairman of the Meeting to vote for, against or to abstain from voting the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the Chairman of the Meeting will vote or abstain from voting at his/her discretion.

No.	Resolutions relating to:-	No. of votes 'For'*	No. of votes 'Against'*	No. of votes 'Abstain'*
<b>Ordinary Business</b>				
1.	Directors' Statement and Audited Financial Statements for the year ended 29 February 2020			
2.	Re-election of Mr Yap Kian Peng as Director			
3.	Re-election of Mr Toh Tiong San as Director			
4.	Approval of Directors' fees of up to S\$265,000 for the financial year ending 28 February 2021 to be paid quarterly in arrears			
5.	Re-appointment of Messrs RSM Chio Lim LLP as Auditors			
<b>Special Business</b>				
6.	Authority to issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual			

*\*If you wish to exercise all your votes 'For', 'Against' or to 'Abstain' from voting, please tick (v) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing the Chairman of the Meeting not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020

**Total number of Shares held**

\_\_\_\_\_  
*Signature of Shareholder(s)  
and, Common Seal of Corporate Shareholder*

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE**

**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 shall be deemed to relate to all the Shares held by you.
2. A member of the Company (including a Relevant Intermediary\*) entitled to vote at the Meeting must appoint Chairman of the Meeting to act as proxy and direct the vote at the Meeting.
3. The instrument appointing the Chairman of the Meeting as the proxy must be deposited at the Registered Office of the Company at 221 Henderson Road, #06-15 Henderson Building, Singapore 159557 or email to investoradmin@jackspeed.com not less than forty-eight (48) hours before the time appointed for the Meeting.
4. The instrument appointing the Chairman of the Meeting as the proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form 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 proxy form 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.
5. 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) and wishes to appoint the Chairman of the Meeting as their proxy should approach their respective CPF and/or SRS Approved Nominees (CPF Agent Banks or SRS Operators) to submit their votes at least seven (7) working days before 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 the Chairman of the Meeting as the proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 May 2020.

**General:-**

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as the proxy 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 the Chairman of the Meeting as the proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as the proxy 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.





**JACKSPEED CORPORATION LIMITED**

Registration No: 199300300W

221 Henderson Road, #06-15, Singapore 159557

Tel: (65) 6273 0386 | Fax: (65) 6273 0396

Website: [www.jackspeed.com](http://www.jackspeed.com)

Email: [investoradmin@jackspeed.com](mailto:investoradmin@jackspeed.com)