


ACQUISITIONS AND DISPOSALS :: DISCLOSEABLE TRANSACTION :: SALE OF LEASEHOLD PROPERTY Like 0 Tweet Share

** Asterisks denote mandatory information*

Name of Announcer *	JACKSPEED CORPORATION LIMITED
Company Registration No.	199300300W
Announcement submitted on behalf of	JACKSPEED CORPORATION LIMITED
Announcement is submitted with respect to *	JACKSPEED CORPORATION LIMITED
Announcement is submitted by *	Chua Sze Chyi
Designation *	Joint Company Secretary
Date & Time of Broadcast	17-Dec-2012 19:03:25
Announcement No.	00097

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	SALE OF LEASEHOLD PROPERTY
Description	Please refer to the attachment.
Attachments	 Announcement_Disposal_of_property_at_71atT5_Final.pdf Total size =19K (2048K size limit recommended)

JACKSPEED CORPORATION LIMITED

Registration No. 199300300W

(Incorporated in Singapore)

(The "Company")

SALE OF LEASEHOLD PROPERTY

1. INTRODUCTION

- 1.1 The board of directors (the "Board") of the Company wishes to announce that Index Credit Pte Ltd, a 60% owned subsidiary of the Company, has on 3 December 2012 entered into an Option to Purchase (the "OTP") with Aeon Earth Pte Ltd (the "Purchaser") for the sale of a leasehold property located at 71 Tampines Industrial Avenue 5 Singapore 528645 (the "Property") (the "Sale"). The Purchaser has exercised the OTP on 14 December 2012 ("Acceptance Date").
- 1.2 For the purpose of this announcement, the term "Group" shall mean the Company and its subsidiaries.

2. THE PROPERTY

The Property is a leasehold property and its lease was granted by the developer of the Property, Soon Hock Tuas Development Pte Ltd (the "Developer"), for a term of 30 years commencing from 27 August 2010. The Property is a semi-detached two-storey factory with an estimated floor area of 1,342 square metres.

3. THE CONSIDERATION

- 3.1 The consideration for the Property is S\$5,550,000 ("Sale Consideration"). The Sale Consideration was agreed between the Company and the Purchaser on a willing buyer-willing seller basis, after taking into consideration the net book value of the Property of S\$4,836,000 as at 30 November 2012 and the prevailing market conditions.
- 3.2 The Sale Consideration shall be wholly satisfied in cash.
- 3.3 The Group intends to use such proceeds from the Sale for general working capital.

4. MATERIAL CONDITIONS OF THE SALE

- 4.1 In accordance with the terms of the Sale, a 10% deposit amounting to S\$555,000 has been paid by the Purchaser. The remaining 90% of the Sale Consideration shall be paid upon the completion of the Sale.
- 4.2 The Sale shall be completed within eight weeks from the Acceptance Date, subject to the consent by the Developer. In the event that the said consent of the Developer is not obtained by the date fixed for completion, all monies paid hereunder shall be refunded without interest to the Purchaser.

- 4.3 The Property is sold subject to the Purchaser receiving satisfactory replied to the Legal Requisitions relates to the Property. The Sale shall be rescinded at the option of the Purchaser by giving notice in writing thereof to the Company's solicitors within 14 days of the receipt of such unsatisfactory reply from its solicitors.

5. RATIONALE

As part of the Group's continued plans to rationalise its resources, the Group has undertaken the Sale to re-deploy its capital more efficiently towards the Group's existing businesses and other business opportunities as and when they arise.

6. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Sale and based on the latest announced consolidated financial statements of the Group for the half year ended 31 August 2012 ("HY2013") are as follows:

Rule		Property (S\$'000)	Group (S\$'000)	Relative figures
1006(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value.	4,877	30,815	15.83%
1006(b)	The net profit attributable to the assets disposed of, compared with the group's net profit.	Not applicable *	526	Not applicable
1006(c)	The aggregate value of the consideration received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	5,550	35,648	15.57%
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable	Not applicable	Not applicable

* The Property is an investment property of the Group. The construction of the Property was completed in June 2012. There was no revenue generated from the Property.

7. **FINANCIAL EFFECTS**

7.1 Gain on Sale

Based on management accounts as at 30 November 2012, the net carrying value of the Property was S\$4,836,000. Accordingly, the estimated net gain on the Sale is S\$591,000, less expenses related to the Sale. The net gain attributable to the Group is S\$354,000.

7.2 Assumptions

The financial effects on the net tangible assets (“NTA”) per share and the profits per share of the Group are set out below. The financial effects which have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 29 February 2012 (“FY2012”), are purely for illustrative purposes only and do not reflect the actual financial position of the Group after the completion of the Sale.

7.3 NTA

For illustrative purposes only and assuming the Sale had been completed at the end of FY2012, the estimated financial effects of the Sale on the consolidated NTA of the Group for FY2012 are as follows:

	FY2012	Assuming completion of Sale at the end of FY2012
NTA (S\$'000)	27,308	27,899
Number of Shares ('000)	209,243	209,243
NTA per share (cents)	13.05	13.33

7.4 Earnings

For illustrative purposes only and assuming that the Sale had been completed at the beginning of FY2012, the effects of the Sale on the profits per share of the Group for FY2012 are as follows:

	FY2012	Assuming completion of Sale at the beginning of FY2012
Profits attributable to shareholders (S\$'000)	1,974	2,328
Number of Shares ('000)	209,243	209,243
Profits per share (cents)	0.94	1.11

8. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the Sale.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the agreement will be made available for inspection by shareholders of the Company from 8.30am to 5.30pm from Monday to Friday at the Company's registered office at 47 Loyang Drive Singapore 508955 for a period of 3 months from the date of the announcement.

BY ORDER OF THE BOARD

YAP KIAN PENG
Chairman and Chief Executive Officer
17 December 2012