

Asset Acquisitions and Disposals::Proposed Sale of Leasehold Property**Issuer & Securities**

Issuer/ Manager	JACKSPEED CORPORATION LIMITED
Securities	JACKSPEED CORPORATION LIMITED - SG1075914679 - J17

Announcement Details

Announcement Title	Asset Acquisitions and Disposals
Date & Time of Broadcast	27-Jun-2014 17:37:07
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Announcement Sub Title	Proposed Sale of Leasehold Property
Announcement Reference	SG1406270THRTKUL
Submitted By (Co./ Ind. Name)	Chua Sze Chyi
Designation	Company Secretary
Effective Date and Time of the event	27/06/2014 17:00:00
Description (Please provide a detailed description of the event in the box below)	Please refer to attachment.

Attachments	📎 Announcement_Sale of Leasehold Property_47 Loyang Drive_27 June 2014.pdf Total size =19K
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JACKSPEED CORPORATION LIMITED

Registration No. 199300300W

(Incorporated in Singapore)

(The “**Company**”)

PROPOSED SALE OF LEASEHOLD PROPERTY

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**”) of the Company wishes to announce that the Company has on 27 June 2014 entered into an Option to Purchase (the “**Option**”) with Tan Soon Huah Gas Supply Pte Ltd (the “**Purchaser**”) for the proposed sale of its leasehold property located at 47 Loyang Drive Singapore 508955 (the “**Property**”) (the “**Proposed Sale**”).
- 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 Jurong Town Corporation (“**JTC**”), for a term of 30 years commencing from 1 June 1993. JTC has agreed to grant an option for a further term of 29 years from 1 June 2023 (the “**Extended Lease**”). The Property is a two-storey terrace factory with an estimated land area of 2,729.90 square metres.

3. THE CONSIDERATION

- 3.1 The consideration for the Property is S\$6,500,000 (“**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 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 Proposed Sale for general working capital.

4. MATERIAL CONDITIONS OF THE PROPOSED SALE

- 4.1 In accordance with the terms of the Proposed Sale, a cheque for 1% Option Fee amounting to S\$65,000 has been received by the Company.
- 4.2 The Option shall expire at 4.00 p.m. on the expiry of four (4) weeks from 27 June 2014.

- 4.3 Upon the exercise of the Option, the Purchaser shall pay 5% of the Sale Consideration (less the Option Fee) amounting to S\$260,000. The remaining 95% of the Sale Consideration shall be paid upon the completion of the Proposed Sale.
- 4.4 The Proposed Sale is subject the following conditions precedent:
- (i) the approval of the shareholders of the Company ("**Shareholders Approval**");
 - (ii) the written approval of the JTC ("**JTC Approval**"); and
 - (iii) the Extended Lease is transferrable to the Purchaser.
- 4.5 The Proposed Sale shall be completed within twelve (12) weeks from the date of the exercise of the Option or four (4) weeks from the date of Purchaser's receipt of JTC Approval, whichever is the later ("**Completion Date**").

5. RATIONALE

As part of the Group's continued plans to rationalise its resources, the Group has undertaken the Proposed 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 Proposed Sale and based on the latest announced consolidated financial statements of the Group for the financial year ended 28 February 2014 ("**FY2014**") 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.	1,868	31,242	5.98%
1006(b)	The net profits attributable to the assets disposed of, compared with the group's net profits.	Not applicable	742	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.	6,500	20,083	32.37%
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

As the relative figure computed under Rule 1006(c) of the Listing Manual is more than 20%, the Proposed Sale is considered a major transaction under Chapter 10 of the Listing Manual, and is therefore subject to Shareholders' approval.

7. FINANCIAL EFFECTS

7.1 Gain on Proposed Sale

The estimated net gain on the Proposed Sale attributable to the Group is S\$4,542,000, less expenses related to the Proposed Sale.

7.2 Assumptions

The financial effects on the net tangible assets ("NTA") per share and the earnings per share of the Group are set out below. The financial effects which have been prepared based on the latest announced consolidated financial statements of the Group for FY2014, are purely for illustrative purposes only and do not reflect the actual financial position of the Group after the completion of the Proposed Sale.

7.3 NTA

For illustrative purposes only and assuming the Proposed Sale had been completed at the end of FY2014, the estimated financial effects of the Proposed Sale on the consolidated NTA of the Group for FY2014 are as follows:

	FY2014	Assuming completion of Proposed Sale at the end of FY2014
NTA (S\$'000)	29,761	34,303
Number of Shares ('000)	251,043	251,043
NTA per share (cents)	11.85	13.66

7.4 Earnings

For illustrative purposes only and assuming that the Proposed Sale had been completed at the beginning of FY2014, the effects of the Proposed Sale on the profits per share of the Group for FY2014 are as follows:

	FY2014	Assuming completion of Proposed Sale at the beginning of FY2014
Earnings attributable to shareholders (S\$'000)	540	5,228
Number of Shares ('000)	251,043	251,043
Earnings per share (cents)	0.22	2.08

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 Proposed 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 5.30 p.m. 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
Executive Deputy Chairman and Chief Executive Officer
27 June 2014