

Financial Statements and Related Announcement::Half Yearly Results**Issuer & Securities**

Issuer/ Manager	JACKSPEED CORPORATION LIMITED
Securities	JACKSPEED CORPORATION LIMITED - SG1075914679 - J17
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
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Submitted By (Co./ Ind. Name)	Chua Sze Chyi
Designation	Executive Director
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Additional Details

For Financial Period Ended	31/08/2016
Attachments	📄 Announcement_Q2FY2017 Results_Final.pdf Total size =287K





JACKSPEED CORPORATION LIMITED

(Incorporated in Singapore)

Registration No. 199300300W

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 AUGUST 2016

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 AND Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive Income

	Note	Group		
		Period Ended		
		31 Aug 2016 S\$'000	31 Aug 2015 S\$'000	Change %
Revenue		45,919	24,352	88.6
Cost of sales		(38,364)	(18,621)	106.0
Gross profit		7,555	5,731	31.8
<u>Other items of income</u>				
Interest income		201	262	(23.3)
Other gains	1	57	4,978	(98.9)
<u>Other items of expenses</u>				
Marketing and distribution costs		(287)	(287)	0.0
Administrative expenses		(4,505)	(4,197)	7.3
Finance costs - interest expense		(294)	(200)	47.0
Other expenses	1	(90)	-	NA
Share of loss from equity-accounted associate		-	(1)	(100.0)
Share of loss from equity-accounted joint venture		(1)	(1)	0.0
Profit before tax from continuing operations		2,636	6,285	(58.1)
Income tax expense		(518)	(342)	51.5
Profit net of tax from continuing operations		2,118	5,943	(64.4)
Profit attributable to owners of the parent, net of tax		1,643	5,770	(71.5)
Profit attributable to non-controlling interests, net of tax		475	173	174.6
		2,118	5,943	(64.4)
<u>Other comprehensive income/ (loss), net of tax</u>				
Items that may be reclassified subsequently to profit or loss:				
Fair value gain/ (loss) on available-for-sale financial assets		9	(23)	139.1
Exchange differences on translating foreign operations		21	(847)	102.5
Total comprehensive income		2,148	5,073	(57.7)
<u>Total comprehensive income:</u>				
Attributable to owners of the parent, net of tax		1,673	4,900	(65.9)
Attributable to non-controlling interests, net of tax		475	173	174.6
		2,148	5,073	(57.7)

Note 1**Other gains and (other expenses)**

Bad debts recovered - finance lease receivables	-	6	(100.0)
Foreign exchange adjustment (losses)/ gains	(83)	311	(126.7)
(Loss)/ Gain on disposal of property, plant and equipment	(7)	4,624	(100.2)
Government grant income	57	37	54.1
Net	(33)	4,978	(100.7)

Presented in profit or loss as:

Other gains	57	4,978	(98.9)
Other expenses	(90)	-	NA
Net	(33)	4,978	(100.7)

	Period Ended		
	31 Aug 2016 S\$'000	31 Aug 2015 S\$'000	Change %
Bad debts recovered - finance lease receivables	-	6	(100.0)
Foreign exchange adjustment (losses)/ gains	(83)	311	(126.7)
(Loss)/ Gain on disposal of property, plant and equipment	(7)	4,624	(100.2)
Government grant income	57	37	54.1
Net	(33)	4,978	(100.7)
Presented in profit or loss as:			
Other gains	57	4,978	(98.9)
Other expenses	(90)	-	NA
Net	(33)	4,978	(100.7)

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

Depreciation of property, plant and equipment	1,111	1,053	5.5
Depreciation of investment property	11	12	(8.3)
Amortisation of other intangible assets	44	69	(36.2)
Total depreciation and amortisation expenses	1,166	1,134	2.8

	Period Ended		
	31 Aug 2016 S\$'000	31 Aug 2015 S\$'000	Change %
Depreciation of property, plant and equipment	1,111	1,053	5.5
Depreciation of investment property	11	12	(8.3)
Amortisation of other intangible assets	44	69	(36.2)
Total depreciation and amortisation expenses	1,166	1,134	2.8

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Group		Company	
	As at		As at	
	31 Aug 2016 S\$'000	29 Feb 2016 S\$'000	31 Aug 2016 S\$'000	29 Feb 2016 S\$'000
ASSETS				
<u>Non-current assets</u>				
Investment property	834	843	-	-
Property, plant and equipment	9,789	9,709	330	317
Intangible assets	872	902	-	-
Investments in subsidiaries	-	-	10,229	10,229
Investment in a joint venture	2	3	-*	-*
Other receivables	10,000	10,000	10,000	10,000
Finance lease receivables	17,200	11,662	-	-
Available-for-sale financial assets	264	273	264	273
Deferred tax assets	9	9	-	-
Total non-current assets	38,970	33,401	20,823	20,819
<u>Current assets</u>				
Inventories	5,111	4,445	-	-
Trade and other receivables	8,786	9,957	9,642	11,580
Finance lease receivables	9,204	6,318	-	-
Available-for-sale financial assets	1,002	1,249	1,002	1,249
Other assets	11,487	2,824	3,513	32
Cash and cash equivalents	12,527	8,372	1,397	1,217
Total current assets	48,117	33,165	15,554	14,078
Total assets	87,087	66,566	36,377	34,897
EQUITY AND LIABILITIES				
<u>Equity attributable to owners of the parent</u>				
Share capital	31,208	31,208	31,208	31,208
Retained earnings / (accumulated losses)	9,507	7,864	(268)	(131)
Other reserves	(1,920)	(1,950)	(7)	(16)
Equity attributable to owners of the parent	38,795	37,122	30,933	31,061
Non-controlling interests	3,584	3,109	-	-
Total equity	42,379	40,231	30,933	31,061
<u>Non-current liabilities</u>				
Deferred tax liabilities	135	197	-	-
Other financial liabilities	42	31	-	-
Total non-current liabilities	177	228	-	-
<u>Current liabilities</u>				
Income tax payable	565	309	-	-
Trade and other payables	16,688	4,878	5,444	3,343
Other financial liabilities	27,278	20,920	-	493
Total current liabilities	44,531	26,107	5,444	3,836
Total liabilities	44,708	26,335	5,444	3,836
Total equity and liabilities	87,087	66,566	36,377	34,897

* Cost of investment is less than \$1,000.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 Aug 2016		As at 29 Feb 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
27,278	-	19,424	1,496

Amount repayable after one year

As at 31 Aug 2016		As at 29 Feb 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
42	-	31	-

Details of any collaterals

The finance lease payables are secured by the lessors' charges over the leased assets.

Bank borrowings and other credit facilities are secured by a leasehold property and covered by corporate guarantees from the Company and personal guarantees from non-controlling interests.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

Cash flows from operating activities

Profit before tax

Adjustments for:

Interest income

Interest expense

Depreciation of property, plant and equipment

Depreciation of investment property

Amortisation of other intangible assets

Loss/ (Gain) on disposal of property, plant and equipment

Share of loss from equity-accounted associate

Share of loss from equity-accounted joint venture

Operating cash flows before changes in working capital

Inventories

Trade and other receivables

Other assets

Finance lease receivables

Trade and other payables

Net cash flows from operations before tax

Income taxes paid

Net cash flows from operating activities

Cash flows from investing activities

Proceeds from disposal of property, plant and equipment

Proceeds from disposal of available-for-sale financial assets

Purchase of plant and equipment

Purchase of available-for-sale financial assets

Other receivables

Interest received

Net cash flows from/ (used in) investing activities

Cash flows from financing activities

Increase in borrowings

Decrease in other financial liabilities

Decrease in finance lease payables

Interest paid

Net cash flows used in financing activities

Net increase/ (decrease) in cash and cash equivalents

Cash and cash equivalents, statement of cash flows, beginning balance

Effect of exchange rate changes on cash and cash equivalents

**Cash and cash equivalents, statement of cash flows,
ending balance**

Note

Group	
Period Ended	
31 Aug 2016	31 Aug 2015
S\$'000	S\$'000
2,636	6,285
(201)	(262)
294	200
1,111	1,053
11	12
44	69
7	(4,624)
-	1
1	1
3,903	2,735
(666)	677
487	762
(8,727)	(1,582)
3,969	1,066
11,810	(895)
10,776	2,763
(388)	(328)
10,388	2,435
172	6,478
250	500
(646)	(585)
-	(1,298)
684	(9,793)
201	142
661	(4,556)
498	-
(1,377)	(984)
(5,863)	(1,799)
(294)	(200)
(7,036)	(2,983)
4,013	(5,104)
8,360	11,154
142	(196)
12,515	5,854

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Note 2

Represented by:

Balance as per cash and cash equivalents in the statement of financial position

Restricted cash

Cash and cash equivalents for statement of cash flows purposes

31 Aug 2016	31 Aug 2015
S\$'000	S\$'000
12,527	5,866
(12)	(12)
12,515	5,854

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

	Group		Company	
	31 Aug 2016 S\$'000	31 Aug 2015 S\$'000	31 Aug 2016 S\$'000	31 Aug 2015 S\$'000
Share capital				
Balance at beginning and end of the period	31,208	31,208	31,208	31,208
Other reserves				
Balance at beginning of the period	(1,950)	(1,058)	(16)	4
Total comprehensive income/ (loss) for the period	30	(870)	9	(23)
Balance at end of the period	(1,920)	(1,928)	(7)	(19)
Retained earnings / (accumulated losses)				
Balance at beginning of the period	7,864	513	(131)	(5,440)
Total comprehensive income for the period	1,643	5,770	(137)	4,437
Balance at end of the period	9,507	6,283	(268)	(1,003)
Equity attributable to owners of the parent	38,795	35,563	30,933	30,186
Non-controlling interests				
Balance at beginning of the period	3,109	2,894	-	-
Total comprehensive income for the period	475	173	-	-
Balance at end of the period	3,584	3,067	-	-
Total equity	42,379	38,630	30,933	30,186

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Group and Company	
	31 Aug 2016 No. of shares '000	31 Aug 2015 No. of shares '000
Ordinary shares of no par value		
Balance at beginning and end of the period	251,044	251,044

There are no outstanding convertibles or treasury shares as at 31 August 2016 and 31 August 2015.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.
251,043,579 ordinary shares are issued as at 31 August 2016 (29 February 2016: 251,043,579).
- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.
The Company does not have any treasury shares.

- 2 **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**
The figures have not been audited or reviewed by the auditors of the Company.
- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**
Not applicable.
- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**
The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period compared to the audited financial statements as at 29 February 2016 except for the adoption of the applicable new and revised Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") that are mandatory for the financial period beginning 1 March 2016. The adoption of these FRS and INT FRS has no significant impact on the financial statements.
- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**
Not applicable.
- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

	Group	
	31 Aug 2016	31 Aug 2015
Earnings per ordinary share for the period based on profit attributable to owners of the parent, net of tax	Cents	Cents
a) Based on weighted average number of ordinary shares of 251,043,579 (1HY2016: 251,043,579)	0.65	2.30
b) On a fully diluted basis	0.65	2.30

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group		Company	
	31 Aug 2016	29 Feb 2016	31 Aug 2016	29 Feb 2016
* Net asset value per ordinary share based on issued shares as at the end of the financial period / year	Cents	Cents	Cents	Cents
	16.88	16.03	12.32	12.37

* Total equity including non-controlling interests.

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of comprehensive income

Profit attributable to owners of the Group, net of tax

Excluding a gain of \$4.6 million recognised in prior period from the disposal of a leasehold property located at 47 Loyang Drive Singapore 508955 ("Loyang Property"), the net profit attributable to owners of the Group increased by \$0.4 million from \$1.2 million in prior period to \$1.6 million in 1HY2017. This is mainly due to higher revenue recorded in 1HY2017.

Revenue by segments

Group revenue in 1HY2017 increased by \$21.6 million or 89% as compared to prior period. In 1HY2017, the Leather, Accessories and Automotive segments accounted for 13%, 14% and 73% of the Group's revenue respectively, as compared to 32%, 17% and 51% respectively in prior period.

Leather segment

Revenue from the Leather segment decreased by \$1.9 million or 25% from \$7.7 million in 1HY2016 to \$5.8 million in 1HY2017. This is mainly due to a decrease in revenue from the trading of automotive spare parts.

Accessories segment

Revenue from the Accessories segment increased by \$2.0 million or 47% from \$4.3 million in 1HY2016 to \$6.3 million in 1HY2017. This is mainly due to greater sales demand for existing products.

Automotive segment

Revenue from the Automotive segment increased by \$21.4 million or 173% from \$12.4 million in 1HY2016 to \$33.8 million in 1HY2017. This is mainly due to an increase in the volume of motor vehicles traded.

Other material variances

Gross profit margin decreased by 8% from 24% in 1HY2016 to 16% in 1HY2017. This is mainly due to an increase in the number of new motor vehicles sold in the Automotive segment in 1HY2017. New vehicles generally were of a lower gross profit margin.

Other gains decreased by \$4.9 million from \$5.0 million in 1HY2016 to \$57,000 in 1HY2017. This is mainly due to a non-recurring gain of \$4.6 million recognised in prior period from the disposal of Loyang Property.

The increase in finance costs by \$94,000 or 47% is mainly due to an increase in finance lease liabilities in 1HY2017 as compared to prior period.

The increase in income tax expense by \$0.2 million is mainly in line with the increase in profit before tax. Profit before tax in 1HY2016, excluding non-taxable \$4.6 million gain in disposal of Loyang Property, amounted to \$1.7 million.

Statements of financial position

Group

The \$8.4 million increase in finance lease receivables (current and non-current) is mainly due to new financing loans for motor vehicles granted in 1HY2017.

The \$0.3 million decrease in available-for-sale financial assets (current and non-current) is mainly due to the maturity of a fixed-rated bond (\$0.3 million) in 1HY2017.

The \$0.7 million increase in inventories is mainly due to increase in raw materials purchased in 1HY2017.

The \$8.7 million increase in other assets is mainly due to deposit placed for the acquisition of 13.4% interest in Wenul Assets (Industrial) Pte. Ltd. (\$3.5 million) and increase in deposits placed with suppliers for the purchase of motor vehicles (\$4.7 million).

The \$6.4 million increase in other financial liabilities (current and non-current) is mainly due to an increase in motor vehicle related finance leases (\$7.2 million).

The \$11.8 million increase in trade and other payables is mainly due to an increase in customer deposits received for the sale of motor vehicles (\$9.6 million).

Company

The \$0.3 million decrease in available-for-sale financial assets (current and non-current) is mainly due to the maturity of a fixed-rated bond (\$0.3 million) in 1HY2017.

The \$3.5 million increase in other assets is mainly due to deposit placed for the acquisition of 13.4% interest in Wenul Assets (Industrial) Pte. Ltd. (\$3.5 million).

The \$2.1 million increase in trade and other payables is mainly due to an increase in other payables to subsidiaries.

The \$0.5 million decrease in other financial liabilities (current) is due to the repayment of bank trust receipts in 1HY2017.

Consolidated statement of cash flows

Cash and cash equivalents increased by approximately \$4.2 million in 1HY2017 mainly as a result of the sale proceeds received from the disposal of plant and equipment and available-for-sale financial assets (\$0.4 million), repayment received from an interest-bearing loan (\$0.7 million) and net cash flows from operating activities (\$10.4 million).

This is partially offset by purchase of plant and equipment (\$0.6 million) and net cash flows used in financing activities (\$7.0 million).

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Group did not issue any forecast or prospect statement to shareholders for the current financial period.

10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next financial period and the next 12 months.**

Despite the improvement in performance for 1HY2017, the Group remains cautious on the macro economy outlook and currency market and their impact on its operating environment. The Group will continue its efforts in developing the existing markets, managing costs and exploring business opportunities.

11 **If a decision regarding dividend has been made:-**

(a) Whether an interim (final) ordinary dividend has been declared (recommended);

No.

(b) Corresponding period of the immediately preceding financial year.

	Group and Company	
	1HY2017 Cents	1HY2016 Cents
<u>Type of dividend</u>		
Interim	Nil	Nil
Final	Nil	Nil
Tax rate	Not applicable	Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 **If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared or recommended for the financial period ended 31 August 2016.

13 **General mandate from shareholders for Interested Person Transaction pursuant to Rule 920.**

There is no general mandate obtained from shareholders for Interested Person Transaction pursuant to Rule 920.

14 **Confirmation by directors**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the interim financial results for the period ended 31 August 2016 to be false or misleading, in any material aspect.

15 **Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).**

Undertakings have been procured from all directors and executive officers under Rule 720(1).

16 **Disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.**

Not applicable.

ON BEHALF OF THE BOARD

YAP KIAN PENG
EXECUTIVE DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER
10 OCTOBER 2016