

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

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Additional Details

For Financial Period Ended	31/08/2017
Attachments	📎 Jackspeed Corporation Limited - Financial results for the half year ended 31 August 2017.pdf Total size =336K





JACKSPEED CORPORATION LIMITED

(Incorporated in Singapore)

Registration No. 199300300W

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 AUGUST 2017

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

		Group		
		Period Ended		
	Note	31 Aug 2017 S\$'000	31 Aug 2016 S\$'000 (Restated) ^{Note 1}	Change %
Revenue	1	29,053	38,135	(23.8)
Cost of sales	1	(20,162)	(30,580)	(34.1)
Gross profit		8,891	7,555	17.7
<u>Other items of income</u>				
Interest income		17	201	(91.5)
Other gains	2	153	57	168.4
<u>Other items of expenses</u>				
Marketing and distribution costs		(221)	(287)	(23.0)
Administrative expenses		(4,597)	(4,505)	2.0
Finance costs - interest expense		(524)	(294)	78.2
Other expenses	2	(111)	(90)	23.3
Share of loss from equity-accounted joint venture		(1)	(1)	0.0
Profit before tax from continuing operations		3,607	2,636	36.8
Income tax expense		(613)	(518)	18.3
Profit net of tax from continuing operations		2,994	2,118	41.4
Profit attributable to owners of the parent, net of tax		2,641	1,643	60.7
Profit attributable to non-controlling interests, net of tax		353	475	(25.7)
		2,994	2,118	41.4
<u>Other comprehensive income, net of tax</u>				
Items that may be reclassified subsequently to profit or loss:				
Fair value gain on available-for-sale financial assets		5	9	(44.4)
Exchange differences on translating foreign operations		93	21	342.9
Total comprehensive income		3,092	2,148	43.9
<u>Total comprehensive income:</u>				
Attributable to owners of the parent, net of tax		2,739	1,673	63.7
Attributable to non-controlling interests, net of tax		353	475	(25.7)
		3,092	2,148	43.9

Note 1**Reclassification and comparative figures**

The cost of sales of \$7,784,000 recorded in 1HY2017 has been reclassified in the Statement of Comprehensive Income from "Cost of Sales" to net off its corresponding revenue in "Revenue" to more appropriately reflect the Group's business nature as a service agent for certain sales transactions.

Statement of Comprehensive Income

	After Reclassification S\$'000	Before Reclassification S\$'000	Difference S\$'000
Revenue	38,135	45,919	(7,784)
Cost of Sales	(30,580)	(38,364)	7,784

Note 2**Other gains and (other expenses)**

Bad debts written-off - trade receivables	(22)	-	NA
Foreign exchange adjustment losses	(89)	(83)	7.2
Gain / (Loss) on disposal of plant and equipment	118	(7)	1,785.7
Government grant income	35	57	(38.6)
Net	42	(33)	227.3

Presented in profit or loss as:

Other gains	153	57	168.4
Other expenses	(111)	(90)	23.3
Net	42	(33)	227.3

	Period Ended		
	31 Aug 2017 S\$'000	31 Aug 2016 S\$'000	Change %
	(22)	-	NA
	(89)	(83)	7.2
	118	(7)	1,785.7
	35	57	(38.6)
	42	(33)	227.3
	153	57	168.4
	(111)	(90)	23.3
	42	(33)	227.3

- 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	1,064	1,111	(4.2)
Depreciation of investment property	10	11	(9.1)
Amortisation of other intangible assets	-	44	(100.0)
Total depreciation and amortisation expenses	1,074	1,166	(7.9)

	Period Ended		
	31 Aug 2017 S\$'000	31 Aug 2016 S\$'000	Change %
	1,064	1,111	(4.2)
	10	11	(9.1)
	-	44	(100.0)
	1,074	1,166	(7.9)

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 2017 S\$'000	28 Feb 2017 S\$'000	31 Aug 2017 S\$'000	28 Feb 2017 S\$'000
ASSETS				
<u>Non-current assets</u>				
Investment property	769	777	-	-
Property, plant and equipment	10,346	9,791	244	265
Intangible assets	889	889	-	-
Investments in subsidiaries	-	-	15,386	15,386
Investment in an associate	3,484	3,484	3,484	3,484
Investment in a joint venture	1	2	-*	-*
Other receivables	-	10,000	-	10,000
Finance lease receivables	27,432	20,304	-	-
Available-for-sale financial assets	271	276	271	276
Deferred tax assets	109	109	-	-
Total non-current assets	43,301	45,632	19,385	29,411
<u>Current assets</u>				
Inventories	5,146	6,293	-	-
Trade and other receivables	23,412	9,166	22,695	8,478
Finance lease receivables	13,863	10,902	-	-
Other assets	990	947	30	31
Cash and cash equivalents	16,626	12,696	5,058	3,231
Total current assets	60,037	40,004	27,783	11,740
Total assets	103,338	85,636	47,168	41,151
EQUITY AND LIABILITIES				
<u>Equity attributable to owners of the parent</u>				
Share capital	36,865	31,208	36,865	31,208
Retained earnings	14,873	12,232	3,097	3,134
Other reserves	(2,150)	(2,248)	(1)	(6)
Equity attributable to owners of the parent	49,588	41,192	39,961	34,336
Non-controlling interests	3,968	3,615	-	-
Total equity	53,556	44,807	39,961	34,336
<u>Non-current liabilities</u>				
Deferred tax liabilities	127	127	-	-
Other financial liabilities	2	3	-	-
Total non-current liabilities	129	130	-	-
<u>Current liabilities</u>				
Income tax payable	787	745	-	-
Trade and other payables	8,247	8,043	6,535	6,681
Other financial liabilities	40,619	31,911	672	134
Total current liabilities	49,653	40,699	7,207	6,815
Total liabilities	49,782	40,829	7,207	6,815
Total equity and liabilities	103,338	85,636	47,168	41,151

* 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 2017		As at 28 Feb 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
39,947	672	31,777	134

Amount repayable after one year

As at 31 Aug 2017		As at 28 Feb 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2	-	3	-

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

		Group	
		Period Ended	
	Note	31 Aug 2017 S\$'000	31 Aug 2016 S\$'000
Cash flows from operating activities			
Profit before tax		3,607	2,636
<u>Adjustments for:</u>			
Interest income		(17)	(201)
Interest expense		524	294
Depreciation of property, plant and equipment		1,064	1,111
Depreciation of investment property		10	11
Amortisation of other intangible assets		-	44
(Gain) / Loss on disposal of plant and equipment		(118)	7
Share of loss from equity-accounted joint venture		1	1
Operating cash flows before changes in working capital		5,071	3,903
Inventories		514	(666)
Trade and other receivables		(2,683)	487
Other assets		6	(8,727)
Finance lease receivables		(987)	3,969
Trade and other payables		160	11,810
Net cash flows from operations before tax		2,081	10,776
Income taxes paid		(620)	(388)
Net cash flows from operating activities		1,461	10,388
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		105	172
Proceeds from disposal of available-for-sale financial assets		-	250
Purchase of plant and equipment		(1,169)	(646)
Other receivables		(1,475)	684
Interest received		17	201
Net cash flows (used in) / from investing activities		(2,522)	661
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares		5,657	-
Increase in borrowings		-	498
Increase / (Decrease) in other financial liabilities		538	(1,377)
Decrease in finance lease payables		(753)	(5,863)
Interest paid		(524)	(294)
Net cash flows from / (used in) financing activities		4,918	(7,036)
Net increase in cash and cash equivalents		3,857	4,013
Cash and cash equivalents, statement of cash flows, beginning balance		12,684	8,360
Effect of exchange rate changes on cash and cash equivalents		73	142
Cash and cash equivalents, statement of cash flows, ending balance	3	16,614	12,515
Note 3			
Represented by:			
Balance as per cash and cash equivalents in the statement of financial position		16,626	12,527
Restricted cash		(12)	(12)
Cash and cash equivalents for statement of cash flows purposes		16,614	12,515

- 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 2017 S\$'000	31 Aug 2016 S\$'000	31 Aug 2017 S\$'000	31 Aug 2016 S\$'000
Share capital				
Balance at beginning of the period	31,208	31,208	31,208	31,208
Issuance of ordinary shares	5,657	-	5,657	-
Balance at end of the period	36,865	31,208	36,865	31,208
Other reserves				
Balance at beginning of the period	(2,248)	(1,950)	(6)	(16)
Total comprehensive income for the period	98	30	5	9
Balance at end of the period	(2,150)	(1,920)	(1)	(7)
Retained earnings / (accumulated losses)				
Balance at beginning of the period	12,232	7,864	3,134	(131)
Total comprehensive income / (loss) for the period	2,641	1,643	(37)	(137)
Balance at end of the period	14,873	9,507	3,097	(268)
Equity attributable to owners of the parent	49,588	38,795	39,961	30,933
Non-controlling interests				
Balance at beginning of the period	3,615	3,109	-	-
Total comprehensive income for the period	353	475	-	-
Balance at end of the period	3,968	3,584	-	-
Total equity	53,556	42,379	39,961	30,933

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2017 No. of shares '000	31 Aug 2016 No. of shares '000
Ordinary shares of no par value		
Balance at beginning of the period	251,044	251,044
Issuance of new ordinary shares	50,208	-
Balance at end of the period	301,252	251,044

The Company does not have any outstanding convertibles, treasury shares or subsidiary holdings as at 31 August 2017 and 31 August 2016.

- 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 year.
301,252,279 ordinary shares are issued as at 31 August 2017 (28 February 2017: 251,043,579).
- 1(d)(iv) A statement showing all sales, transfers, 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.
- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.
The Company does not have any subsidiary holdings.

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 28 February 2017 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 2017. 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 2017	31 Aug 2016
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 266,597,361 (1HY2017: 251,043,579)	0.99	0.65
b) On a fully diluted basis	0.99	0.65

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 2017	28 Feb 2017	31 Aug 2017	28 Feb 2017
	Cents	Cents	Cents	Cents
* Net asset value per ordinary share based on issued shares as at the end of the financial period / year	17.78	17.85	13.26	13.68

* 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

Net profit attributable to owners of the Group increased by \$1.0 million in 1HY2018 as compared to the same period in 1HY2017. This is mainly due to better performance of the Accessories segment in terms of revenue and gross profit margin.

Gross Profit Margin (GPM)

The Group recorded a GPM of 31% in 1HY2018, 11% higher than the GPM of 20% in the previous period. This is mainly due to the higher GPM achieved from the Accessories segment through better management of costs.

Revenue by segments

Group revenue in 1HY2018 decreased by \$9.1 million or 24% as compared to the prior period. In 1HY2018, Accessories and Non-Accessories segments accounted for 55% and 45% of the Group's revenue respectively, as compared to 32% and 68% respectively in 1HY2017.

Accessories segment

Revenue from the Accessories segment increased by \$4.0 million or 33%, from \$12.1 million in 1HY2017 to \$16.1 million in 1HY2018. This is mainly due to better sales performance from:-

- (i) the trading of automotive spare parts in Singapore; and
- (ii) the supplying of accessories to automotive manufacturer in Thailand.

Non-Accessories segment

Revenue from the Non-Accessories segment decreased by \$13.1 million or 50% from \$26.0 million in 1HY2017 to \$12.9 million in 1HY2018. This is mainly due to a lower volume of motor vehicles traded.

Other material variances

The increase in finance costs by \$230,000 or 78% is mainly due to an increase in finance lease liabilities in 1HY2018 as compared to 1HY2017.

Statements of financial position

Group

The \$4.2 million increase in trade and other receivables (current and non-current) is mainly due to an increase of \$1.5 million in external party loans and an increase of \$2.9 million in trade receivables from the sale of automotive accessories and spare parts.

An increase of \$10.1 million in finance lease receivables (current and non-current) is mainly due to new financing loans for motor vehicles granted in 1HY2018.

The \$1.1 million decrease in inventories for 1HY2018 is mainly due to a lower stock level of motor vehicles maintained in 1HY2018, in line with the lower sales demand.

The \$8.7 million increase in other financial liabilities (current and non-current) is mainly due to an increase in the finance leases of motor vehicles amounting to \$9.2 million for 1HY2018, which is in line with the aforementioned increase in finance lease receivables.

Company

The \$4.2 million increase in trade and other receivables (current and non-current) is mainly due to:-

- (i) an increase of \$1.5 million in loans to external parties;
- (ii) an increase of \$1.3 million in related company receivables; and
- (iii) an increase of \$1.4 million in trade receivables from third parties.

The \$5.7 million increase in share capital is due to the net proceeds received from the issuance of 50,208,700 new ordinary shares at \$0.11385 each during 1HY2018.

The \$0.5 million increase in other financial liabilities (current) is due to the increase in the utilisation of bank trust receipts in 1HY2018.

Consolidated statement of cash flows

The Group's cash and cash equivalents increased by \$3.9 million in 1HY2018 to stand at \$16.6 million. The increase is mainly a result of cash flows from operations (\$1.5 million) and net proceeds from the issuance of ordinary shares (\$5.7 million). This is partially offset by the purchase of plant and equipment (\$1.2 million), loans to third parties (\$1.5 million) and repayment of finance leases (\$0.8 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.**

The Group will continue its efforts in keeping up with the industry trends, growing existing markets while exploring new business opportunities and prudently managing costs.

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

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

The Board of Directors is recommending an interim dividend of 0.5 cent per ordinary share.

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

	Group and Company	
	1HY2018 Cents	1HY2017 Cents
Type of dividend		
Interim	0.5	Nil
Tax rate	Exempt (One-Tier)	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).

One-tier tax exempt. The dividend is not taxable in the hands of shareholders.

(d) The date the dividend is payable.

Details on the date will be announced in due course.

(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.

Details on the date will be announced in due course.

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

Not applicable.

- 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 2017 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.**

Update on the use of net proceeds of \$5,657,000 (the "Net Proceeds") raised from the placement of 50,208,700 new ordinary shares at \$0.11385 each in the capital of the Company on 6 July 2017:

Intended Uses	Net Proceeds Allocated		Net Proceeds Used To Date	Balance as at 31 Aug 2017
	%	S\$'000	S\$'000	S\$'000
Working Capital:				
Purchase of raw materials and inventories	70	3,960	-	3,960
Employee payroll costs	30	1,697	-	1,697
Total	100	5,657	-	5,657

ON BEHALF OF THE BOARD

YAP KIAN PENG
EXECUTIVE DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER
10 OCTOBER 2017