

HALF YEAR RESULTS * FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

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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
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	31-08-2013
Description	Please refer to attachment.
Attachments	📎 JCL_HalfYearResults_1HFY2014.xls.pdf Total size =65K (2048K size limit recommended)



JACKSPEED CORPORATION LIMITED

(Incorporated in Singapore)

Registration No. 199300300W

FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 AUGUST 2013

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

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

Statement of Comprehensive Income

	Note	Group		
		Period Ended		
		31 Aug 2013 S\$'000	31 Aug 2012 S\$'000	Change %
Revenue		19,558	21,016	(6.9)
Cost of sales		(14,757)	(16,310)	(9.5)
Gross profit		4,801	4,706	2.0
<u>Other items of income</u>				
Interest income		119	116	2.6
Other credits	1	11	13	(15.4)
<u>Other items of expenses</u>				
Marketing and distribution costs		(532)	(536)	(0.7)
Administrative expenses		(3,824)	(3,348)	14.2
Finance costs		(228)	(336)	(32.1)
Other charges	1	(70)	(39)	79.5
Share of loss from equity-accounted associate		(44)	(50)	(12.0)
Share of profit from equity-accounted joint venture		3	-	NA
Profit before tax		236	526	(55.1)
Income tax expense		(25)	(204)	(87.7)
Profit after tax		211	322	(34.5)
Profit attributable to owners of the parent, net of tax		145	258	(43.8)
Profit attributable to non-controlling interests, net of tax		66	64	3.1
		211	322	(34.5)
<u>Other comprehensive (loss)/income, net of tax</u>				
Fair value gain on available-for-sale financial assets		5	42	(88.1)
Exchange difference on translating foreign operations		(421)	(340)	23.8
Total comprehensive (loss)/income		(205)	24	(954.2)
<u>Total comprehensive income/(loss):</u>				
Attributable to owners of the parent, net of tax		(271)	(40)	577.5
Attributable to non-controlling interests, net of tax		66	64	3.1
		(205)	24	(954.2)

Note 1**Other credits and (other charges)**

Allowance for impairment of trade receivables
Foreign exchange adjustment losses
Gain on disposal of plant and equipment
Gain on disposal of available-for-sale financial assets
Government grant
Net

Presented in profit or loss as:

Other credits
Other charges
Net

Period Ended		
31 Aug 2013	31 Aug 2012	Change
S\$'000	S\$'000	%
-	(23)	(100.0)
(70)	(16)	337.5
-	7	(100.0)
-	6	(100.0)
11	-	NA
(59)	(26)	126.9
11	13	(15.4)
(70)	(39)	79.5
(59)	(26)	126.9

- 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 2013	28 Feb 2013	31 Aug 2013	28 Feb 2013
Note	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Investment properties	1,035	1,087	-	-
Property, plant and equipment	7,672	7,135	2,178	2,256
Intangible assets	1,603	1,798	-	-
Investments in subsidiaries	-	-	10,762	10,762
Investments in associates	26	70	-	-
Investment in joint venture	9	6	-	-
Finance lease receivables	5,789	5,813	-	-
Available-for-sale financial assets	1,531	1,530	1,531	1,530
Deferred tax assets	29	29	20	20
Total non-current assets	17,694	17,468	14,491	14,568
Current assets				
Inventories	5,952	7,372	-	-
Trade and other receivables	6,991	4,084	8,394	4,954
Finance lease receivables	4,764	4,264	-	-
Other assets	1,257	1,046	38	38
Cash and cash equivalents	8,210	12,974	3,677	7,373
Total current assets	27,174	29,740	12,109	12,365
Total assets	44,868	47,208	26,600	26,933
EQUITY AND LIABILITIES				
Equity				
Share capital	31,208	31,208	31,208	31,208
Accumulated losses	(2,195)	(2,340)	(7,570)	(7,583)
Other reserves	(977)	(561)	22	17
Equity, attributable to owners of the parent	28,036	28,307	23,660	23,642
Non-controlling interests	2,976	2,910	-	-
Total equity	31,012	31,217	23,660	23,642
Non-current liabilities				
Deferred tax liabilities	332	377	-	-
Other financial liabilities	146	221	39	72
Total non-current liabilities	478	598	39	72
Current liabilities				
Income tax payable	41	41	-	-
Trade and other payables	2,587	3,862	2,450	2,492
Other financial liabilities	10,750	11,490	451	727
Total current liabilities	13,378	15,393	2,901	3,219
Total liabilities	13,856	15,991	2,940	3,291
Total equity and liabilities	44,868	47,208	26,600	26,933

- 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 2013		As at 28 Feb 2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
10,343	407	10,755	735

Amount repayable after one year

As at 31 Aug 2013		As at 28 Feb 2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
146	-	221	-

Details of any collateral

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

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

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

Consolidated Statement of Cash Flows

	Note	Group	
		Period Ended	
		31 Aug 2013 S\$'000	31 Aug 2012 S\$'000
Cash flows from operating activities			
Profit before tax		236	526
<u>Adjustments for:</u>			
Interest income		(119)	(116)
Interest expense		228	336
Depreciation of property, plant and equipment		824	579
Depreciation of investment properties		13	68
Amortisation of other intangible assets		119	-
Amortisation of premium on available-for-sale financial assets		4	-
Gain on disposal of plant and equipment		-	(7)
Gain on disposal of available-for-sale financial assets		-	(6)
Share of loss from equity-accounted associate		44	50
Share of profit from equity-accounted joint venture		(3)	-
Operating cash flows before changes in working capital		1,346	1,430
Inventories		1,420	(222)
Trade and other receivables		(2,907)	2,266
Finance lease receivables		(476)	(597)
Other assets		(190)	(16)
Trade and other payables		(1,275)	416
Net cash (used in)/from operations before interest and tax		(2,082)	3,277
Income taxes paid		(86)	(229)
Net cash (used in)/from operating activities		(2,168)	3,048
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		181	234
Proceeds from disposal available-for-sale financial assets		-	2,605
Purchase of investment properties		-	(4,767)
Purchase of plant and equipment		(1,634)	(517)
Purchase of available-for-sale financial assets		-	(1,004)
Interest received		119	116
Net cash used in investing activities		(1,334)	(3,333)
Cash flows from financing activities			
Issue of shares		-	3,205
Increase from new borrowings		-	4,290
Finance lease repayments		(815)	(2,296)
Interest paid		(228)	(336)
Net cash (used in)/from financing activities		(1,043)	4,863
Net (decrease)/increase in cash and cash equivalents		(4,545)	4,578
Cash and cash equivalents, cash flow statement, beginning balance		12,962	3,757
Effect of exchange rate changes on cash and cash equivalents		(219)	(122)
Cash and cash equivalents, cash flow statement, ending balance	2	8,198	8,213
Note 2			
Represented by:			
Balance as per cash and cash equivalent in the statement of financial position		8,210	8,225
Restricted cash		(12)	(12)
Cash and cash equivalents in the consolidated statement of cash flows		8,198	8,213

- 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 year of the immediately preceding financial year.

Statements of Changes in Equity

	Group		Company	
	31 Aug 2013 S\$'000	31 Aug 2012 S\$'000	31 Aug 2013 S\$'000	31 Aug 2012 S\$'000
Share capital				
Balance at beginning of the period	31,208	28,003	31,208	28,003
Issue of ordinary shares	-	3,205	-	3,205
Balance at end of the period	31,208	31,208	31,208	31,208
Other reserves				
Balance at beginning of the period	(561)	(378)	17	(59)
Total comprehensive (loss)/income for the period	(416)	(298)	5	42
Balance at end of the period	(977)	(676)	22	(17)
Accumulated losses				
Balance at beginning of the period	(2,340)	(2,925)	(7,583)	(11,047)
Total comprehensive income/(loss) for the period	145	258	13	3,422
Balance at end of the period	(2,195)	(2,667)	(7,570)	(7,625)
Equity, attributable to owners of the parent	28,036	27,865	23,660	23,566
Non-controlling interests				
Balance at beginning of the period	2,910	2,608	-	-
Acquisition of a subsidiary	-	278	-	-
Total comprehensive income for the period	66	64	-	-
Balance at end of the period	2,976	2,950	-	-
Total equity	31,012	30,815	23,660	23,566

- 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 year 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 of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.

	Group and Company	
	31 Aug 2013 No. of shares '000	28 Feb 2013 No. of shares '000
Ordinary shares of no par value		
Balance at beginning of period	251,043	209,243
Issue of shares at \$0.0795 each	-	41,800
Balance at end of period	251,043	251,043

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.
251,043,000 ordinary shares are issued as at 31 August 2013 (28 February 2013: 251,043,000).

- 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 year 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 with the audited financial statements as at 28 February 2013 except for the adoption of the applicable new and revised Financial Reporting Standards (FRS) and INT FRS that are mandatory for the financial year beginning 1 March 2013. 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 year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Group	
	31 Aug 2013	31 Aug 2012
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 251,043,000 (1HFY2013: 246,045,000)	0.06	0.10
b) On a fully diluted basis	0.06	0.10

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 year reported on; and

(b) immediately preceding financial year.

	Group		Company	
	31 Aug 2013	28 Feb 2013	31 Aug 2013	28 Feb 2013
	Cents	Cents	Cents	Cents
* Net asset value per ordinary share based on issued share capital as at the end of the financial period	12.35	12.43	9.42	9.42

* 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 year 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 year reported on.

Statement of comprehensive income

Group revenue decreased by \$1.4 million or 7% from \$21.0 million in prior period to \$19.6 million in 1HFY2014.

The Leather, Accessories and Automotive segments accounted for 36%, 13% and 51% respectively of the Group's revenue in 1HFY2014 as compared to 32%, 13% and 55% respectively in 1HFY2013.

Revenue from the Leather segment increased by \$0.4 million from \$6.6 million in prior period to \$7.0 million in 1HFY2014. This is mainly due to the revenue contributed by Ultimate Vehicle Pty Ltd ("Ultimate"), a 100% owned subsidiary acquired in Q3FY2013 and the increase in revenue from the Aviation business. The increase is offset by the decrease in the revenue from trading of automotive spare parts.

Revenue from the Accessories segment in 1HFY2014 (\$2.6 million) remained consistent as compared to 1HFY2013 (\$2.7 million).

Revenue from the Automotive segment decreased by \$1.7 million from \$11.7 million in the prior period to \$10.0 million in 1HFY2014 due to the impact of the vehicle loan curbs on the business.

There are no significant changes to the gross profit margins.

Other credits in current period relate to government grant received (\$11,000). Other credits in prior period relate to the gain on disposal of plant and equipment (\$7,000) and gain on disposal of available-for-sale financial assets (\$6,000).

The increase in administrative expenses by \$0.5 million is mainly contributed by Ultimate that was acquired in Q3FY2013.

The decrease in finance costs by \$0.1 million is mainly due to the lower interest expense as a result of the redemption of bank loans in 2HFY2013 for two investment properties that were sold in the same period.

Other charges in current period relate to foreign exchange adjustment losses of \$70,000. Other charges in prior period relate to allowance for impairment of trade receivables of \$23,000 and foreign exchange adjustment losses of \$16,000.

The share of profit from equity-accounted joint venture of \$3,000 in 1HFY2014 relates to Jackspeed Euris Japan Pte. Ltd., a joint venture that was incorporated in Q4FY2013.

Statement of financial position

Group

The \$0.5 million increase in property, plant and equipment is mainly due to the following:

- (i) Purchase of motor vehicles amounting to \$0.4 million;
- (ii) Renewal of certificates of entitlement for existing motor vehicles amounting to \$0.8 million; and
- (iii) Transfer from inventories amounting to \$0.3 million.

The increase above is offset by depreciation expense of \$0.8 million.

The decrease of intangible assets by \$0.2 million is mainly due to the amortisation of intangible assets.

The increase in finance lease receivables (current and non-current) by \$0.5 million is mainly due to the new financing loans for motor vehicles granted during the period.

Inventories decrease by \$1.4 million as a result of the Group's efforts in minimising inventory levels.

The \$2.9 million increase in trade and other receivables is mainly due to interest-bearing loans to external parties amounting to \$3.4 million, offset by the decrease of \$0.3 million in receivables from trading of automotive spare parts.

The increase in other assets by \$0.2 million is mainly due to the prepaid rentals for office facilities at Turf City amounting to \$0.4 million.

The \$1.3 million decrease in trade and other payables is mainly due to the payment of goods and services tax amounting to \$0.7 million in relation to the sale of investment properties in prior year and the payment of insurance premiums of \$0.2 million.

The \$0.8 million decrease in other financial liabilities (current and non-current) is mainly due to the decrease in bank loans under floor stocking facilities, which is in line with the decrease in inventories.

Consolidated statement of cash flows

Cash and cash equivalents decreased by approximately \$4.5 million in 1HFY2014 as a result of net cash used in operating activities (\$2.2 million), purchase of plant and equipment (\$1.6 million) and finance lease repayments (\$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 year and the next 12 months.**

With the implementation of motor vehicle loan curbs and rising material and labour costs, 1HFY2014 had been a challenging period for the Group.

The business outlook for Singapore automotive market remains uncertain. The Group continues to face pressures from rising costs. 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	
	1HFY2014 Cents	1HFY2013 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 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 2013.

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 unaudited financial results for the period ended 31 August 2013 to be false or misleading, in any material aspect.

15 **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.**

The \$3.2 million proceeds from the issue of shares on 23 March 2012 are placed with a local bank.

ON BEHALF OF THE BOARD

YAP KIAN PENG
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER