

## Financial Statements and Related Announcement::Half Yearly Results

### Issuer & Securities

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

### Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
<b>Date &amp; Time of Broadcast</b>	10-Oct-2014 18:14:19
<b>Status</b>	New
<b>Announcement Sub Title</b>	Half Yearly Results
<b>Announcement Reference</b>	SG1410100THR312P
<b>Submitted By (Co./ Ind. Name)</b>	Chua Sze Chyi
<b>Designation</b>	Joint Company Secretary
<b>Effective Date and Time of the event</b>	10/10/2014 17:00:00
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	Please refer to attachment.

### Additional Details

<b>For Financial Period Ended</b>	31/08/2014
<b>Attachments</b>	<a href="#">SGX - Half Year Results Announcement_Period Ended 31 August 2014.pdf</a> Total size =91K





**JACKSPEED CORPORATION LIMITED**

(Incorporated in Singapore)

Registration No. 199300300W

**FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 AUGUST 2014**

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

1(a) 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		Change %
		31 Aug 2014 S\$'000	31 Aug 2013 S\$'000	
Revenue	1	18,630	17,980	3.6
Cost of sales	1	(13,022)	(13,442)	(3.1)
Gross profit		5,608	4,538	23.6
<u>Other items of income</u>				
Interest income		206	119	73.1
Other credits	2	197	11	1,690.9
<u>Other items of expenses</u>				
Marketing and distribution costs		(242)	(269)	(10.0)
Administrative expenses		(3,796)	(3,824)	(0.7)
Finance costs		(173)	(228)	(24.1)
Other charges	2	(41)	(70)	(41.4)
Share of loss from equity-accounted associate		-	(44)	(100.0)
Share of (loss) / profit from equity-accounted joint venture		(1)	3	(133.3)
Profit before tax		<b>1,758</b>	<b>236</b>	<b>644.9</b>
Income tax expense		(129)	(25)	416.0
Profit after tax		<b>1,629</b>	<b>211</b>	<b>672.0</b>
Profit attributable to owners of the parent, net of tax		1,437	145	891.0
Profit attributable to non-controlling interests, net of tax		192	66	190.9
		<b>1,629</b>	<b>211</b>	<b>672.0</b>
<u>Other comprehensive income / (loss), net of tax</u>				
Fair value (loss) / gain on available-for-sale financial assets		(10)	5	(300.0)
Exchange difference on translating foreign operations		222	(421)	(152.7)
<b>Total comprehensive income / (loss)</b>		<b>1,841</b>	<b>(205)</b>	<b>(998.0)</b>
<u>Total comprehensive income / (loss)</u>				
Attributable to owners of the parent, net of tax		1,649	(271)	(708.5)
Attributable to non-controlling interests, net of tax		192	66	190.9
		<b>1,841</b>	<b>(205)</b>	<b>(998.0)</b>

### **Note 1: Comparative figures**

The Group has reclassified certain comparative figures in the Statement of Comprehensive Income:

(i) Insurance premium expense

The insurance premium expense of \$1,578,000 relating to Index Agency Pte Ltd, a 60% owned subsidiary, is reclassified from "Cost of sales" to net off its corresponding insurance premium income in "Revenue" to more appropriately reflect its business nature as a commission agent.

(ii) Outward freight expenses

The outward freight expenses of \$263,000 is reclassified from "Marketing and distribution costs" to "Cost of sales" to more appropriately reflect the Group's gross profit.

The reclassifications are as follows:

#### **Statement of Comprehensive Income**

Revenue  
Cost of sales  
Marketing and distribution costs

<b>After reclassification</b> S\$'000	<b>Before reclassification</b> S\$'000	<b>Difference</b> S\$'000
17,980	19,558	(1,578)
(13,442)	(14,757)	1,315
(269)	(532)	263

#### **Note 2**

##### **Other credits and (other charges)**

Reversal of allowance for impairment of trade receivables  
Bad debts written off 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

<b>Period Ended</b>		
<b>31 Aug 2014</b> S\$'000	<b>31 Aug 2013</b> S\$'000	<b>Change</b> %
3	-	NA
(3)	-	NA
(38)	(70)	(45.7)
39	-	NA
132	-	NA
23	11	109.1
<b>156</b>	<b>(59)</b>	<b>(364.4)</b>
<b>Presented in profit or loss as:</b>		
197	11	1,690.9
(41)	(70)	(41.4)
<b>156</b>	<b>(59)</b>	<b>(364.4)</b>

Presented in profit or loss as:

Other credits  
Other charges  
Net

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

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>31 Aug 2014</b>	<b>28 Feb 2014</b>	<b>31 Aug 2014</b>	<b>28 Feb 2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Investment properties	1,035	1,022	-	-
Property, plant and equipment	8,564	7,688	2,116	2,201
Intangible assets	1,384	1,481	-	-
Investments in subsidiaries	-	-	10,229	10,229
Investments in associates	-	1	-	-
Investment in joint venture	5	6	- *	- *
Finance lease receivables	4,757	5,252	-	-
Available-for-sale financial assets	295	257	295	257
Deferred tax assets	9	29	-	20
<b>Total non-current assets</b>	<b>16,049</b>	<b>15,736</b>	<b>12,640</b>	<b>12,707</b>
<b><u>Current assets</u></b>				
Inventories	6,559	5,577	-	-
Trade and other receivables	8,792	7,846	9,631	9,883
Finance lease receivables	4,819	4,520	-	-
Available-for-sale financial assets	1,251	1,267	1,251	1,267
Other assets	1,039	1,268	39	41
Cash and cash equivalents	8,864	9,145	4,996	4,542
<b>Total current assets</b>	<b>31,324</b>	<b>29,623</b>	<b>15,917</b>	<b>15,733</b>
<b>Total assets</b>	<b>47,373</b>	<b>45,359</b>	<b>28,557</b>	<b>28,440</b>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity, attributable to owners of the parent</u></b>				
Share capital	31,208	31,208	31,208	31,208
Accumulated losses	(363)	(1,800)	(6,120)	(6,356)
Other reserves	(794)	(1,006)	9	19
<b>Equity, attributable to owners of the parent</b>	<b>30,051</b>	<b>28,402</b>	<b>25,097</b>	<b>24,871</b>
Non-controlling interests	3,032	2,840	-	-
<b>Total equity</b>	<b>33,083</b>	<b>31,242</b>	<b>25,097</b>	<b>24,871</b>
<b><u>Non-current liabilities</u></b>				
Deferred tax liabilities	319	316	-	-
Other financial liabilities	74	100	-	6
<b>Total non-current liabilities</b>	<b>393</b>	<b>416</b>	<b>-</b>	<b>6</b>
<b><u>Current liabilities</u></b>				
Income tax payable	60	210	-	-
Trade and other payables	3,599	3,142	3,157	2,925
Other financial liabilities	10,238	10,349	303	638
<b>Total current liabilities</b>	<b>13,897</b>	<b>13,701</b>	<b>3,460</b>	<b>3,563</b>
<b>Total liabilities</b>	<b>14,290</b>	<b>14,117</b>	<b>3,460</b>	<b>3,569</b>
<b>Total equity and liabilities</b>	<b>47,373</b>	<b>45,359</b>	<b>28,557</b>	<b>28,440</b>

\* 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

<b>As at 31 Aug 2014</b>		<b>As at 28 Feb 2014</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
9,974	264	9,778	571

Amount repayable after one year

<b>As at 31 Aug 2014</b>		<b>As at 28 Feb 2014</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
74	-	100	-

**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 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**

	Note	Group	
		Period Ended	
		31 Aug 2014 S\$'000	31 Aug 2013 S\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		1,758	236
<u>Adjustments for:</u>			
Interest income		(206)	(119)
Interest expense		173	228
Depreciation of property, plant and equipment		887	824
Depreciation of investment properties		13	13
Amortisation of other intangible assets		119	119
Amortisation of premium on available-for-sale financial assets		4	4
Gain on disposal of plant and equipment		(39)	-
Gain on disposal of available-for-sale financial assets		(132)	-
Share of loss from equity-accounted associate		-	44
Share of loss / (profit) from equity-accounted joint venture		1	(3)
<b>Operating cash flows before changes in working capital</b>		<b>2,578</b>	<b>1,346</b>
Inventories		(982)	1,420
Trade and other receivables		(211)	(2,907)
Finance lease receivables		196	(476)
Other assets		136	(190)
Trade and other payables		457	(1,275)
<b>Net cash flows from / (used in) operations before interest and tax</b>		<b>2,174</b>	<b>(2,082)</b>
Income taxes paid		(163)	(86)
<b>Net cash flows from / (used in) operating activities</b>		<b>2,011</b>	<b>(2,168)</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of plant and equipment		101	181
Proceeds from disposal available-for-sale financial assets		1,857	-
Purchase of plant and equipment		(1,520)	(1,634)
Purchase of available-for-sale financial assets		(2,496)	-
Interest received		206	119
<b>Net cash flows used in investing activities</b>		<b>(1,852)</b>	<b>(1,334)</b>
<b>Cash flows from financing activities</b>			
Financial liabilities repayments		(387)	(815)
Interest paid		(173)	(228)
<b>Net cash flows used in financing activities</b>		<b>(560)</b>	<b>(1,043)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(401)</b>	<b>(4,545)</b>
Cash and cash equivalents, statement of cash flows, beginning balance		9,133	12,962
Effect of exchange rate changes on cash and cash equivalents		120	(219)
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	3	<b>8,852</b>	<b>8,198</b>

**Note 3**

**Represented by:**

Balance as per cash and cash equivalent in the statement of financial position  
Restricted cash

**Cash and cash equivalents in the consolidated statement of cash flows**

	31 Aug 2014 S\$'000	31 Aug 2013 S\$'000
	8,864	8,210
	(12)	(12)
	<b>8,852</b>	<b>8,198</b>

- 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 2014 S\$'000	31 Aug 2013 S\$'000	31 Aug 2014 S\$'000	31 Aug 2013 S\$'000
<b>Share capital</b>				
Balance at beginning and end of the period	31,208	31,208	31,208	31,208
<b>Other reserves</b>				
Balance at beginning of the period	(1,006)	(561)	19	17
Total comprehensive income / (loss) for the period	212	(416)	(10)	5
<b>Balance at end of the period</b>	<b>(794)</b>	<b>(977)</b>	<b>9</b>	<b>22</b>
<b>Accumulated losses</b>				
Balance at beginning of the period	(1,800)	(2,340)	(6,356)	(7,583)
Total comprehensive income for the period	1,437	145	236	13
<b>Balance at end of the period</b>	<b>(363)</b>	<b>(2,195)</b>	<b>(6,120)</b>	<b>(7,570)</b>
Equity, attributable to owners of the parent	30,051	28,036	25,097	23,660
<b>Non-controlling interests</b>				
Balance at beginning of the period	2,840	2,910	-	-
Total comprehensive income for the period	192	66	-	-
<b>Balance at end of the period</b>	<b>3,032</b>	<b>2,976</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>33,083</b>	<b>31,012</b>	<b>25,097</b>	<b>23,660</b>

- 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 period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Group and Company	
	31 Aug 2014	28 Feb 2014
	No. of shares '000	No. of shares '000
<u>Ordinary shares of no par value</u>		
Balance at beginning and end of the period / year	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 period and as at the end of the immediately preceding year.  
251,043,579 ordinary shares are issued as at 31 August 2014 (28 February 2014: 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 with the audited financial statements as at 28 February 2014 except for the adoption of the applicable new and revised Financial Reporting Standards (FRS) and INT FRS that are mandatory for the financial period beginning 1 March 2014. 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 2014 Cents	31 Aug 2013 Cents
Earnings per ordinary share for the period based on profit attributable to owners of the parent, net of tax		
a) Based on weighted average number of ordinary shares of 251,043,579 (1HFY2014: 251,043,579)	0.57	0.06
b) On a fully diluted basis	0.57	0.06

**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 2014 Cents	28 Feb 2014 Cents	31 Aug 2014 Cents	28 Feb 2014 Cents
* Net asset value per ordinary share based on issued share capital as at the end of the financial period / year	13.18	12.44	10.00	9.91

\* 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**

Group revenue increased by \$0.6 million or 3% from \$18.0 million in prior period to \$18.6 million in 1HFY2015.

The Leather, Accessories and Automotive segments accounted for 37%, 21% and 42% respectively of the Group's revenue in 1HFY2015 as compared to 39%, 14% and 47% respectively in 1HFY2014.

Revenue from the Leather segment decreased by \$0.2 million or 3% from \$7.0 million in the prior period to \$6.8 million in 1HFY2015. This is mainly due to the disposal of a subsidiary, Jackspeed Aviation Pte Ltd in Q3FY2014. The decrease is offset by the revenue contributed by Dynasty Culture Sdn Bhd, a 100% owned subsidiary acquired in Q4FY2014.

Revenue from the Accessories segment increased by \$1.4 million or 54% from \$2.6 million in the prior period to \$4.0 million in 1HFY2015 mainly due to greater sales demand for existing products.

Revenue from the Automotive segment decreased by \$0.6 million or 7% from \$8.4 million in the prior period to \$7.8 million in 1HFY2015 mainly due to weakened sales demand for used commercial vehicles.

Gross profit margin increased by 5% mainly due to continuous efforts in managing costs.

The increase in interest income by \$87,000 or 73% as compared to prior period is mainly due to interest income from interest-bearing loan provided to external parties in Q2FY2014.

Other credits in 1HFY2015 mainly relate to gain on disposal of available-for-sale financial assets (\$0.1 million), gain on disposal of plant and equipment (\$39,000) and government grant received (\$23,000). Other credits in prior period relate to government grant received (\$11,000).

The decrease in finance costs by \$55,000 or 24% is mainly due to the full repayment of hire purchase loans with higher interest rates and entering of new hire purchase loans at lower interest rates.

Other charges in 1HFY2015 mainly relate to foreign exchange adjustment losses of \$38,000 (1HFY2014: \$70,000).

#### **Statement of financial position**

##### **Group**

The \$0.9 million increase in property, plant and equipment is mainly due to the following:

- (i) Motor vehicles transferred from inventories amounting to \$0.4 million;
- (ii) Renewal of certificates of entitlement for existing motor vehicles amounting to \$0.7 million; and
- (iii) Purchase of motor vehicles amounting to \$0.5 million.

The increase above is offset by depreciation expense of \$0.9 million.

Inventories increased by \$1.0 million mainly due to:

- (i) \$0.4 million increase from the Leather segment to meet an anticipated increase in sales demand; and
- (ii) \$0.6 million increase from the Automotive segment as a result of purchases made near period end.

The \$0.9 million increase in trade and other receivables is mainly due to receivables of \$0.7 million from disposal of available-for-sale financial assets.

The decrease in other assets by \$0.2 million is mainly due to the amortisation of prepaid rentals and insurance premiums amounting to \$0.3 million.

The \$0.5 million increase in trade and other payables is mainly due to increase in purchases in the Accessories segment (\$0.3 million) which is in line with the corresponding increase in revenue.

##### **Company**

Other financial liabilities (current and non-current) decreased by \$0.3 million mainly due to repayment of bank trust receipts.

### **Consolidated statement of cash flows**

Cash and cash equivalents decreased by approximately \$0.4 million in 1HFY2015 as a result of the purchase of available-for-sale financial assets (\$2.5 million), purchase of plant and equipment (\$1.5 million) and the repayment of financial liabilities (\$0.4 million). This is offset by the net cash flows from operating activities (\$2.0 million) and the proceeds from disposal of available-for-sale financial assets (\$1.9 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.**

In 1HFY2015, the Group has achieved better financial results, mainly boosted by the performance of the Accessories segment.

The Group will continue its efforts in developing existing markets, controlling 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.**

#### **Type of dividend**

Interim  
Final  
Tax rate

<b>Group and Company</b>	
<b>1HFY2015</b> Cents	<b>1HFY2014</b> Cents
Nil	Nil
Nil	Nil
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 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 2014.

- 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 2014 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.**

Update of the use of the net proceeds amounting to \$3,205,000 (the "Net Proceeds") raised from the placement of 41,800,000 new shares at \$0.0795 each in the capital of the Company on 26 March 2012:

<b>Intended Uses</b>	<b>Net Proceeds Allocated S\$'000</b>	<b>Net Proceeds Used to Date S\$'000</b>	<b>Balance as at 10 October 2014 S\$'000</b>	<b>Description</b>
Working Capital	3,205	2,389	816	General and administrative costs
<b>Total</b>	<b>3,205</b>	<b>2,389</b>	<b>816</b>	

The above utilization is in line with the intended uses of the Net Proceeds as stated in the Company's announcement dated 29 February 2012.

**ON BEHALF OF THE BOARD**

YAP KIAN PENG  
EXECUTIVE DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
10 October 2014