

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
Date & Time of Broadcast	15-Oct-2012 17:41:17
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	31-08-2012
Description	Please refer to attachment.
Attachments	📎 Announcement_Q2FY2012_FINAL.xls.pdf Total size =81K (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 2012

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		Change %
		31 Aug 2012 S\$'000	31 Aug 2011 S\$'000	
Revenue		21,016	12,957	62.2
Cost of sales		(16,310)	(9,628)	69.4
Gross profit		4,706	3,329	41.4
<u>Other items of income</u>				
Interest income		116	59	96.6
Other credits	1	13	441	(97.1)
<u>Other items of expenses</u>				
Marketing and distribution costs		(536)	(532)	0.8
Administrative expenses		(3,348)	(2,734)	22.5
Finance costs		(336)	(166)	102.4
Other charges	1	(39)	(72)	(45.8)
Share of (loss)/profit of associate		(50)	71	(170.4)
Profit before tax		526	396	32.8
Income tax expense		(204)	(153)	33.3
Profit after tax		322	243	32.5
Profit attributable to owners of the parent, net of tax		258	34	658.8
Profit attributable to non-controlling interests, net of tax		64	209	(69.4)
		322	243	32.5
<u>Other comprehensive income, net of tax</u>				
Fair value gain on available-for-sale financial assets		42	9	366.7
Exchange difference on translating foreign subsidiaries		(340)	(229)	48.5
Total comprehensive income		24	23	4.3
<u>Total comprehensive income/(loss):</u>				
Attributable to owners of the parent, net of tax		(40)	(186)	(78.5)
Attributable to non-controlling interests, net of tax		64	209	(69.4)
		24	23	4.3

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

(Allowance)/reversal of allowance for impairment of trade receivables
Foreign exchange losses
Gain on disposal of plant and equipment
Gain on disposal of subsidiaries
Gain on disposal of available-for-sale financial assets
Government grant
Net

	Period Ended		
	31 Aug 2012 S\$'000	31 Aug 2011 S\$'000	Change %
(23)	20	(215.0)	
(16)	(72)	(77.8)	
7	133	(94.7)	
-	210	(100.0)	
6	9	(33.3)	
-	69	(100.0)	
(26)	369	(107.0)	
Presented in profit or loss as:			
Other credits	13	441	(97.1)
Other charges	(39)	(72)	(45.8)
Net	(26)	369	(107.0)

Note 2: Comparative figures

The Company has reclassified certain items in the comparative figures that were previously reported in the results announcement for the half year ended 31 August 2011.

The loss from discontinued operations of S\$182,000 is reclassified to the corresponding line items (ie. revenue, cost of sales, marketing and distribution costs, administrative expenses, finance costs and other charges) in the Statement of Comprehensive Income for consistent presentation as per audited annual report for the financial year ended 29 February 2012.

The gain on disposal of plant and equipment of S\$296,000, which relates to the re-sale of motor vehicles in Index Credit Pte Ltd and its subsidiaries ("Index Group"), is reclassified to the corresponding line items (ie. revenue and cost of sales) in the Statement of Comprehensive Income.

The reclassifications are as follows:

Statement of Comprehensive Income

Revenue
Cost of sales
Other credits
Marketing and distribution costs
Administrative expenses
Finance costs
Other charges
Loss from discontinued operations

	After reclassification S\$'000	Before reclassification S\$'000	Differences S\$'000
12,957	12,204	753	
(9,628)	(9,205)	423	
441	737	(296)	
(532)	(530)	2	
(2,734)	(2,564)	170	
(166)	(163)	3	
(72)	(31)	41	
-	(182)	(182)	
133	429	(296)	
(72)	(31)	41	

Other Credits

Gain on disposal of plant and equipment

Other Charges

Foreign exchange losses

In view of the above changes consequential reclassifications were made to the Consolidated Statement of Cash Flows.

- 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

Note	Group		Company	
	As at		As at	
	31 Aug 2012 S\$'000	29 Feb 2012 S\$'000	31 Aug 2012 S\$'000	29 Feb 2012 S\$'000
ASSETS				
Non-current assets				
Investment properties	10,851	6,198	-	-
Property, plant and equipment	7,600	7,657	2,346	2,020
Goodwill	440	856	-	-
Investment in subsidiaries	-	-	11,194	11,194
Investment in associate	195	244	-	-
Finance lease receivables	5,617	5,307	-	-
Available-for-sale financial assets	1,500	2,474	1,500	2,474
Intangible assets	835	-	-	-
Deferred tax assets	29	46	20	20
Total non-current assets	27,067	22,782	15,060	15,708
Current assets				
Inventories	6,290	6,068	-	-
Trade and other receivables	5,782	8,048	5,956	4,407
Finance lease receivables	3,959	3,672	-	-
Other assets	1,016	974	150	32
Available-for-sale financial assets	1,002	1,586	1,002	1,586
Cash and cash equivalents	8,225	3,769	5,034	682
Total current assets	26,274	24,117	12,142	6,707
Total Assets	53,341	46,899	27,202	22,415
EQUITY AND LIABILITIES				
Equity				
Share capital	31,208	28,003	31,208	28,003
Accumulated losses	(2,667)	(2,925)	(7,625)	(11,047)
Other reserves	(676)	(378)	(17)	(59)
Equity, attributable to owners of the parent	27,865	24,700	23,566	16,897
Non-controlling interests	2,950	2,608	-	-
Total equity	30,815	27,308	23,566	16,897
Non-current liabilities				
Deferred tax liabilities	501	365	-	-
Other financial liabilities	23	64	-	-
Finance lease payables	389	404	106	-
Total non-current liabilities	913	833	106	-
Current liabilities				
Income tax payable	103	33	-	-
Trade and other payables	3,395	2,979	2,692	5,277
Other financial liabilities	8,933	6,731	771	241
Finance lease payables	9,182	9,015	67	-
Total current liabilities	21,613	18,758	3,530	5,518
Total liabilities	22,526	19,591	3,636	5,518
Total equity and liabilities	53,341	46,899	27,202	22,415

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 2012		As at 29 Feb 2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
17,057	1,058	13,182	2,564

Amount repayable after one year

As at 31 Aug 2012		As at 29 Feb 2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
389	23	404	64

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 secured by mortgages on leasehold land and buildings and 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 2012 S\$'000	31 Aug 2011 S\$'000
Cash flows from operating activities			
Profit before tax		526	396
<u>Adjustments for:</u>			
Interest income		(116)	(59)
Interest expense		336	166
Depreciation of property, plant and equipment		579	421
Depreciation of investment properties		68	13
Gain on disposal of plant and equipment		(7)	(133)
Gain on disposal of subsidiaries		-	(210)
Gain on disposal of available-for-sales financial assets		(6)	(9)
Share of loss/(profit) of associate		50	(71)
Operating cash flows before changes in working capital		1,430	514
Inventories		(222)	(321)
Trade and other receivables		2,266	(48)
Finance lease receivables		(597)	(111)
Other assets		(16)	(328)
Trade and other payables		416	72
Net cash from/(used in) operations before interest and tax		3,277	(222)
Income taxes paid		(229)	(188)
Net cash from/(used in) operating activities		3,048	(410)
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired		-	(2,632)
Proceeds from disposal of subsidiaries, net of cash disposed		-	428
Proceeds from disposal of plant and equipment		234	322
Proceeds from disposal available-for-sale financial assets		2,605	1,764
Purchase of investment properties		(4,767)	(751)
Purchase of plant and equipment		(517)	(80)
Purchase of available-for-sale financial assets		(1,004)	(5,866)
Interest received		116	59
Net cash used in investing activities		(3,333)	(6,756)
Cash flows from financing activities			
Proceeds from issuance of shares		3,205	-
Increase from new borrowings		5,632	2,591
Other decrease in finance lease payables and other financial liabilities		(3,120)	(1,330)
Repayment of finance leases payables		(518)	(349)
Interest paid		(336)	(166)
Net cash from financing activities		4,863	746
Net increase/(decrease) in cash and cash equivalents		4,578	(6,420)
Cash and cash equivalents, cash flow statement, beginning balance		3,757	11,804
Effect of exchange rate changes on cash and cash equivalents		(122)	(108)
Cash and cash equivalents, cash flow statement, ending balance	3	8,213	5,276

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 cash flow statement

31 Aug 2012 S\$'000	31 Aug 2011 S\$'000
8,225	5,288
(12)	(12)
8,213	5,276

- 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 2012 S\$'000	31 Aug 2011 S\$'000	31 Aug 2012 S\$'000	31 Aug 2011 S\$'000
Share capital				
Balance at beginning of the period	28,003	28,003	28,003	28,003
Issuance of ordinary shares	3,205	-	3,205	-
Balance at end of the period	31,208	28,003	31,208	28,003
Other reserves				
Balance at beginning of the period	(378)	(336)	(59)	-
Total comprehensive (loss)/income for the period	(298)	(220)	42	9
Balance at end of the period	(676)	(556)	(17)	9
Accumulated losses				
Balance at beginning of the period	(2,925)	(4,899)	(11,047)	(11,548)
Total comprehensive income/(loss) for the period	258	34	3,422	(16)
Balance at end of the period	(2,667)	(4,865)	(7,625)	(11,564)
Equity, attributable to owners of the parent	27,865	22,582	23,566	16,448
Non-controlling interests				
Balance at beginning of the period	2,608	431	-	-
Acquisition of a subsidiary	278	1,292	-	-
Total comprehensive income for the period	64	209	-	-
Balance at end of the period	2,950	1,932	-	-
Total equity	30,815	24,514	23,566	16,448

- 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 2012 No. of shares '000	29 Feb 2012 No. of shares '000
Ordinary shares of no par value		
Balance at beginning of period	209,243	209,243
Issue of shares at \$0.0795 each	41,800	-
Balance at end of period	251,043	209,243

On 23 March 2012, the Company issued 41,800,000 shares at \$0.0795 each for general working capital purpose. Net proceeds amounted to \$3,205,000. These shares were issued at a discount of 10% to the weighted average price per share pursuant to the general mandate granted by the shareholders of the Company. There is no significant impact on profit / (loss) per share.

- 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 2012 (29 February 2012: 209,243,000).
- 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 29 February 2012 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 2012. 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 2012	31 Aug 2011
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 (2012: 209,243,000)	0.10	0.02
b) On a fully diluted basis	0.10	0.02

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

(a) current financial year reported on; and

(b) immediately preceding financial year.

	Group		Company	
	31 Aug 2012	29 Feb 2012	31 Aug 2012	29 Feb 2012
* Net asset value per ordinary share based on issued share capital as at the end of the financial period	Cents	Cents	Cents	Cents
	12.27	13.05	9.39	8.08

* 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 in 1HFY2013 increased by \$8.0 million or 62% to \$21.0 million from \$13.0 million compared to 1HFY2012. This is mainly due to revenue contributed by Index Group that were acquired in Q2FY2012.

The Leather, Accessories and Automotive segments accounted for 32%, 13% and 55% respectively of the Group's revenue in 1HFY2013 as compared to 34%, 23% and 43% respectively in 1HFY2012.

Revenue from the Leather segment increased by \$2.2 million or 50% from \$4.4 million in the prior period to \$6.6 million in the current period due to the revenue contributed from the trading of automotive spare parts in 1HFY2013.

Revenue from the Accessories segment decreased by \$0.2 million or 7% from \$3.0 million in the prior period to \$2.8 million in the current period due to the disposal of a subsidiary, Jackson Vehicle (Singapore) Pte Ltd ("JVS") in 1HFY2012. JVS contributed \$0.3 million revenue in 1HFY2012.

Revenue from the Automotive segment increased by \$6.1 million or 109% from \$5.6 million in the prior period to \$11.7 million in the current period due to the revenue contribution by Index Group as Index Group was only acquired in Q2FY2012.

Gross profit margin decreased by 3% mainly due to lower gross profit margin contributed from the trading of automotive spare parts in 1HFY2013.

Other credits in prior period 1HFY2012 relate to the gain on disposal of plant and equipment (\$0.1 million) and gain on disposal of subsidiaries, JVS and Strategic Icon Technologies Pte Ltd (\$0.2 million).

The increase in interest income, administrative expenses and finance costs by \$0.1 million, \$0.6 million and \$0.2 million respectively as compared to prior period is contributed by Index Group as Index Group was only acquired in Q2FY2012.

The share of loss (1HFY2012: profit) of associate relates to an associate, Strada Automobil Pte Ltd, that was acquired through acquisition of Index Group in Q2FY2012.

Statement of financial position

Group

The \$4.7 million increase in investment properties is mainly due to \$4.8 million progressive payments for the purchase of two leasehold properties (under construction) through Index Group. The construction of these properties was completed in 1HFY2013.

The decrease in available-for-sales financial assets (current and non-current) by \$1.6 million is due to the disposal of \$2.6 million of fixed-rated bond. This is offset by the purchase of \$1.0 million of fixed rated bond.

The \$0.4 million decrease in goodwill, the \$0.8 million increase in intangible assets - contractual and non-contractual customer relationships and the \$0.1 million increase in deferred tax liabilities arise from the finalisation of purchase price allocation in 1HFY2013 in relation to the acquisition of Index Group.

The \$2.3 million decrease in trade and other receivables is mainly due to the receipt of proceeds of \$3.5 million from the sale of leasehold property. This is presented as sale proceeds receivable in the financial year ended 29 February 2012. The decrease is offset by an interest-bearing loan to a third party (\$1.0 million).

The \$0.4 million increase in trade and other payables is due to the increase in purchase orders from a Thailand subsidiary in 1HFY2013.

The \$2.2 million increase in current and non-current other financial liabilities is due to the draw down of \$4.3 million bank loan for the progressive payments of the purchase of two leasehold properties through Index Group. This is offset by the repayment of bank loans during the period amounting to \$2.1 million.

Consolidated statement of cash flows

Cash and cash equivalents increased by approximately \$4.5 million in 1HFY2013 as a result of the proceeds of \$3.2 million from issued shares, sale proceeds of \$3.5 million from the disposal of leasehold property and proceeds from the disposal of available-for-sale financial assets of \$2.6 million. This is offset by the interest-bearing loan of \$1.0 million to a third party, the purchase of available-for-sale financial assets of \$1.0 million and the net repayment of finance lease payables and other financial liabilities of \$2.3 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual
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.
The Company has, on 5 October 2012, acquired 100% equity interest in Ultimate Vehicle Pty Ltd ("Ultimate"), an Australia incorporated company. Ultimate is in the business of distribution and installation of car leather seating, sunroofs, canopies and other car accessories. This is in line with the Company's on-going strategic efforts of exploring business opportunities. There are also synergies that can be derived from the acquisition of Ultimate to help expand the capabilities of the Company beyond installation of car leather seating to other car accessories.

Our existing business outlook remains challenging. The Group will continue its business rationalisation exercises.

11 If a decision regarding dividend has been made:-

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

No.

(b)

Type of dividend

Interim
Final
Tax rate

Group and Company	
1HFY2013 Cents	1HFY2012 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 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 2012.

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 2012 to be false or misleading, in any material aspect.

ON BEHALF OF THE BOARD

YAP KIAN PENG
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER