

Issuer & Securities

Issuer/ Manager

JACKSPEED CORPORATION LIMITED

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

JACKSPEED CORPORATION LIMITED - SG1075914679 - J17

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No

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Financial Statements and Related Announcement

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Please refer to the attachment.

Additional Details

For Financial Period Ended

29/02/2020

Attachments



[FY2020%20Results%20Announcement%20-%20FINAL.pdf](#)

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JACKSPEED CORPORATION LIMITED

(Incorporated in Singapore)

Registration No. 199300300W

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FULL YEAR ENDED 29 FEBRUARY 2020

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

The Company had on 3 January 2020 completed the disposal of its business and business assets to Jackspeed Holdings Pte. Ltd. (the "Purchaser") for a cash consideration of \$48.0 million (the "Disposal"). Following the Disposal, the Company does not have any subsidiary as at 29 February 2020. As such, only the financial statements of the Company are presented.

Results of the disposed business are shown as discontinued operations.

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

Statement of Comprehensive Income

Revenue

Cost of sales

Gross profit

Other income and gains - gain on disposal of business and business assets

Administrative expenses

Profit / (Loss) before tax from continuing operations

Income tax expense

Profit / (Loss) net of tax from continuing operations

Profit from discontinued operations

Profit, net of tax

Other comprehensive income / (loss), net of tax
Items that may be reclassified subsequently to profit or loss:

Debt asset instrument at fair value through other comprehensive income:

- Fair value changes

- Transfer to profit or loss arising from disposal

Other comprehensive income / (loss), net of tax

Total comprehensive income

Total comprehensive income / (loss):

From continuing operations

From discontinued operations

Notes

1

Company		
Year Ended		
29 Feb 2020	28 Feb 2019	Change
S\$'000	S\$'000	%
-	-	n.m.
-	-	n.m.
-	-	n.m.
7,783	-	n.m.
(636)	(644)	(1.2)
7,147	(644)	(1,209.8)
-	-	n.m.
7,147	(644)	(1,209.8)
3,551	1,630	117.9
10,698	986	985.0
-	(3)	(100.0)
11	-	n.m.
11	(3)	(466.7)
10,709	983	989.4
7,158	(647)	(1,206.3)
3,551	1,630	117.9
10,709	983	989.4

n.m. : not meaningful

Note 1

Results from discontinued operations for the financial year ended 29 February 2020 and the comparative period are as follows:

Discontinued operations

		Company		
		Year Ended		
	Notes	29 Feb 2020 S\$'000	28 Feb 2019 S\$'000	Change %
Revenue		11,134	9,698	14.8
Cost of sales		(6,290)	(4,631)	35.8
Gross profit		4,844	5,067	(4.4)
Interest income		236	118	100.0
Other income and gains	2	45	169	(73.4)
Marketing and distribution costs		(91)	(146)	(37.7)
Administrative expenses		(1,398)	(2,354)	(40.6)
Finance costs - interest expense		(57)	(40)	42.5
Other expenses	2	(28)	(1,184)	(97.6)
Profit before tax		3,551	1,630	117.9
Income tax expense		-	-	n.m.
Profit net of tax from discontinued operations		3,551	1,630	117.9

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

Reversal of allowance / (Allowance) for impairment of other receivables from subsidiaries 39 (720) (105.4)
 Allowance for impairment of investment in an associate - (460) (100.0)
 Foreign exchange adjustment (loss) / gain (28) 154 (118.2)
 Loss on disposal of plant and equipment - (4) (100.0)
 Gain on disposal of debt asset instrument 4 - n.m.
 Government grant income 2 15 (86.7)
 Net **17** **(1,015)** **(101.7)**

Presented in profit or loss as:

From discontinued operations

Other income and gains 45 169 (73.4)
 Other expenses (28) (1,184) (97.6)
 Net **17** **(1,015)** **(101.7)**

- 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 year reported on and the corresponding period of the immediately preceding financial year:-

From discontinued operations:

Depreciation of plant and equipment 50 80 (37.5)
 Total depreciation expense **50** **80** **(37.5)**

Year Ended		
29 Feb 2020 S\$'000	28 Feb 2019 S\$'000	Change %
50	80	(37.5)
50	80	(37.5)

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

Statement of Financial Position

ASSETS

Non-current assets

Plant and equipment
Investments in subsidiaries
Investment in an associate
Investment in a joint venture
Other financial assets

Total non-current assets

Current assets

Cash and cash equivalents
Trade and other receivables
Other assets

Total current assets

Total assets

EQUITY AND LIABILITIES

Equity attributable to owners of the company

Share capital
Treasury shares
(Accumulated losses) / Retained earnings
Other reserves

Total equity

Current liabilities

Trade and other payables
Other financial liabilities

Total current liabilities

Total liabilities

Total equity and liabilities

Company	
As at	
29 Feb 2020	28 Feb 2019
S\$'000	S\$'000
-	148
-	16,338
-	3,024
-	-
-	264
-	19,774
275	9,908
2,175	16,662
27	485
2,477	27,055
2,477	46,829
293	36,865
(50)	(50)
(34)	169
-	(11)
209	36,973
324	8,549
1,944	1,307
2,268	9,856
2,268	9,856
2,477	46,829

* Amount is less than S\$1,000.

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

Amount repayable in one year or less, or on demand

As at 29 Feb 2020		As at 28 Feb 2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	1,944	-	1,307

Amount repayable after one year

As at 29 Feb 2020		As at 28 Feb 2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collaterals

Not applicable. There are no collaterals on the Company's borrowings.

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

Statement of Cash Flows

Cash flows from operating activities

Profit / (Loss) before tax:

From continuing operations

From discontinued operations

Adjustments for:

Interest income

Interest expense

Depreciation of plant and equipment

Gain on disposal of debt asset instrument

Gain on disposal of business and business assets

(Reversal of allowance) / Allowance for impairment of other receivables

Loss on disposal of plant and equipment

Allowance for impairment on investment in an associate

Operating cash flows before changes in working capital

Trade and other receivables

Other assets

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

Additional investment in a subsidiary

Proceeds from disposal of plant and equipment

Proceeds from disposal of debt asset instrument

Purchase of plant and equipment

Net movement in loans to external parties

Net movement in amounts due to an associate

Proceeds from disposal of business and business assets,

net of cash

Interest received

Net cash flows from / (used in) investing activities

Cash flows from financing activities

Net movement in amounts due from subsidiaries

Increase in other financial liabilities

Purchase of treasury shares

Share capital reduction and cash distribution to equity owners

Dividends paid to equity owners

Interest paid

Net cash flows (used in) / from financing activities

Net (decrease) / increase in cash and cash equivalents

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

Cash and cash equivalents, statement of cash flows,

ending balance

Notes

		Company	
		Year Ended	
		29 Feb 2020	28 Feb 2019
		S\$'000	S\$'000
		7,147	(644)
		3,551	1,630
		(236)	(118)
		57	40
		50	80
		(4)	-
		(7,783)	-
		(39)	720
		-	4
		-	460
		2,743	2,172
		(2,673)	1,021
		(1)	(451)
		47	713
		116	3,455
		-	-
		116	3,455
		(1,320)	-
		-	239
		279	-
		(10)	(2)
		600	1,582
		(1,829)	(4,273)
		38,768	-
		240	114
		36,728	(2,340)
		416	1,019
		638	1,113
		-	(50)
		(36,572)	-
		(10,901)	(1,509)
		(58)	(37)
		(46,477)	536
		(9,633)	1,651
		9,908	8,257
		275	9,908

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Note 3

The cash flow effects from the Disposal are as follows:

	29 Feb 2020 S\$'000
<u>Carrying amounts of identifiable assets and liabilities disposed</u>	
Investments in subsidiaries	17,658
Investment in an associate	3,024
Investment in a joint venture	- *
Plant and equipment	108
Trade and other receivables	18,217
Other assets	459
Cash and cash equivalents	9,012
Total identifiable assets	48,478
Trade and other payables	8,481
Total identifiable liabilities	8,481
Identifiable net assets disposed	39,997
Add: Gain on disposal	8,003
Cash proceeds from disposal	48,000
Less: Cash and cash equivalents disposed	(9,012)
Less: Expenses incurred in connection with the Disposal	(220)
Net cash inflow on Disposal	38,768
Gain on disposal, net of expenses	7,783

* Amount is less than S\$1,000.

- 1(d)(i) A statement (for the issuer) 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.

Statement of Changes in Equity

	Company	
	29 Feb 2020 S\$'000	28 Feb 2019 S\$'000
Share capital		
Balance at beginning of the year	36,865	36,865
Share capital reduction	(36,572)	-
Balance at end of the year	293	36,865
Treasury shares		
Balance at beginning of the year	(50)	-
Purchase of treasury shares	-	(50)
Balance at end of the year	(50)	(50)
Other reserves		
Balance at beginning of the year	(11)	(8)
Total comprehensive income / (loss) for the year	11	(3)
Balance at end of the year	-	(11)
(Accumulated losses) / Retained earnings		
Balance at beginning of the year	169	692
Total comprehensive income for the year	10,698	986
Dividends paid on ordinary shares	(10,901)	(1,509)
Balance at end of the year	(34)	169
Total equity	209	36,973

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 year 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 year reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Company	
	29 Feb 2020	28 Feb 2019
	No. of shares '000	No. of shares '000
<u>Ordinary shares of no par value</u>		
Balance at beginning and end of the year	301,252	301,252
<u>Treasury shares</u>		
Balance at beginning of the year	250	-
Purchase of shares by way of market acquisition	-	250
Balance at end of the year	250	250
Issued ordinary shares excluding treasury shares	301,002	301,002
Treasury shares held against issued ordinary shares excluding treasury shares (%)	0.08%	0.08%

There are no outstanding convertibles or subsidiary holdings as at 29 February 2020 and 28 February 2019.

- 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.

301,002,279 ordinary shares excluding treasury shares are issued as at 29 February 2020 (28 February 2019: 301,002,279).

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year reported on.

There were no sales, transfers, cancellation and/or use of treasury shares as at 29 February 2020.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial year reported on.

There are no subsidiary holdings as at 29 February 2020 and 28 February 2019.

- 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 modifications or emphasis of a matter).

Not applicable.

- 4 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

a) Updates on the efforts taken to resolve each outstanding audit issue.

b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

- 5(a) Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5(b) below, the Company has applied the same accounting policies and methods of computation in the Company's financial statements for the current financial year as compared to the audited financial statements for the financial year ended 28 February 2019.

5(b) 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.

The Company has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related Interpretations to SFRS(I) ("SFRS(I) INT") that are relevant to its operations and mandatory for the financial year beginning 1 March 2019. The adoption of these new and revised SFRS(I) and SFRS(I) INT did not give rise to any material impact on the Company's financial statements for the current or prior reporting year.

6 Earnings per ordinary share of the company for the current financial year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Company	
	29 Feb 2020 Cents	28 Feb 2019 Cents
Earnings per ordinary share of the Company for the year		
<u>From continuing and discontinued operations:</u>		
a) Based on weighted average number of ordinary shares (excluding treasury shares) of 301,002,279 (2019: 301,016,115)	3.55	0.33
b) On a fully diluted basis	3.55	0.33
<u>From continuing operations:</u>		
a) Based on weighted average number of ordinary shares (excluding treasury shares) of 301,002,279 (2019: 301,016,115)	2.37	(0.21)
b) On a fully diluted basis	2.37	(0.21)

7 Net asset value (for the issuer) 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.

	Company	
	29 Feb 2020 Cents	28 Feb 2019 Cents
Net asset value per ordinary share based on issued shares (excluding treasury shares) as at the end of the financial year	0.07	12.28

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

a) any significant factors that affected the turnover, costs, and earnings of the company 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 company during the current financial year reported on.

Statement of comprehensive income

The Company recorded a gain of \$7.8 million on the Disposal for the financial year ended 29 February 2020 ("FY2020").

Administrative expenses from continuing operations, comprising mainly stock exchange listing fees, professional fees, director fees, staff expenses and statutory expenses, remained relatively consistent at \$0.6 million in FY2020.

The results of discontinued operations comprised revenue and expenses of the disposed business and business assets.

Statement of financial position

Following the Disposal, the Company's statement of financial position comprised mainly:

(i) Cash and cash equivalents of \$0.3 million.

(ii) Trade and other receivables of \$2.2 million from trading of automotive spare parts with external party. While the trading of automotive spare parts business was disposed to the Purchaser, the Company was allowed to continue the business for a limited period after the Disposal. The receivables from trading of automotive spare parts were secured by guarantees from the Purchaser and its sole shareholder.

(iii) Trade and other payables of \$0.3 million which were mainly accrued professional and director fees.

(iv) Other financial liabilities of \$1.9 million which were bank trust receipts in relation to the trading of automotive spare parts.

Statement of cash flows

The decrease of \$9.6 million in cash and cash equivalents was mainly due to share capital reduction and cash distribution and dividends paid to equity owners, amounting to \$36.6 million and \$10.9 million respectively. This was partially offset by net proceeds of \$38.8 million from the Disposal.

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

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

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

With the completion of Disposal on 3 January 2020, the Company is currently exploring opportunities to acquire new assets or businesses to satisfy the listing requirements of Singapore Exchange Securities Trading Limited.

11 If a decision regarding dividend has been made:-

(a) Whether a final ordinary dividend has been recommended;

No final ordinary dividend has been recommended.

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

	Company	
	FY2020 Cents	FY2019 Cents
Type of dividend		
Special	3.62	Nil
Interim	Nil	Nil
Final	Nil	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).

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 and the reason(s) for the decision.

Net proceeds from the Disposal amounted to \$47.8 million, after taking into account cash consideration of \$48.0 million and related expenses of \$0.2 million.

Retaining a small cash sum of \$0.3 million, the Company had distributed all balance proceeds of \$47.5 million to shareholders through share capital reduction and cash distribution and a special dividend of \$0.1215 and \$0.0362 respectively per ordinary share in FY2020.

As such, no further dividend has been recommended.

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.

As per the Sale and Purchase Agreement on the Disposal, the Purchaser shall assume all corporate guarantees in relation to the subsidiaries' banking facilities of approximately \$97.4 million.

The major financial institutions granting more than 90% of the banking facilities had given their written consents for the replacement in guarantees by the Disposal completion date on 3 January 2020. The banking facilities of these major financial institutions that consented are more than sufficient to replace the outstandings of the financial institutions that are still processing the consent for the replacement in guarantees. The Company and the Purchaser are in the process of working with all financial institutions to complete the change. In relation to the banking facilities of the financial institutions that are still processing the consent for replacement in guarantees, the amount utilised is \$1.3 million as at FY2020.

14 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).

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.

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16 Segmented revenue and results for business or geographical segments (of the company) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.
Not applicable, segment reporting is not relevant following the Disposal.

17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.
Not applicable, segment reporting is not relevant following the Disposal.

18 A breakdown of sales.

	Company		
	FY2020 S\$'000	FY2019 S\$'000	Change %
<u>From continuing operations:</u>			
(a) Sales reported for first half year	-	-	n.m.
(b) Loss after tax reported for first half year	(351)	(339)	3.5
(c) Sales reported for second half year	-	-	n.m.
(d) Profit / (Loss) after tax reported for second half year	7,498	(305)	(2,558.4)
<u>From discontinued operations:</u>			
(a) Sales reported for first half year	3,278	2,714	20.8
(b) Profit / (Loss) after tax reported for first half year	3,599	(70)	(5,241.4)
(c) Sales reported for second half year	7,856	6,984	12.5
(d) (Loss) / Profit after tax reported for second half year	(48)	1,700	(102.8)

19 A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year as follows:-

	FY2020 S\$'000	FY2019 S\$'000
Preference dividend	Nil	Nil
<u>Ordinary dividend (tax exempt one-tier)</u>		
Special	10,901	Nil
Interim	Nil	Nil
Final	Nil	Nil
Total	10,901	Nil

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

ON BEHALF OF THE BOARD

YAP KIAN PENG
EXECUTIVE DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER
22 APRIL 2020