

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

### Issuer & Securities

<b>Issuer/ Manager</b>	JACKSPEED CORPORATION LIMITED
<b>Securities</b>	JACKSPEED CORPORATION LIMITED - SG1075914679 - J17

### Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
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<b>Announcement Sub Title</b>	Full Yearly Results
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<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>	28/02/2014
<b>Attachments</b>	<a href="#">📎Jackspeed_FY2014_FullYearResultsAnnouncement.pdf</a> Total size =406K





**JACKSPEED CORPORATION LIMITED**

(Incorporated in Singapore)

Registration No. 199300300W

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FULL YEAR ENDED 28 FEBRUARY 2014**

**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		
		28 Feb 2014 S\$'000	28 Feb 2013 S\$'000	Change %
Revenue	1	34,036	38,462	(11.5)
Cost of sales	1	(24,299)	(29,586)	(17.9)
<b>Gross profit</b>		<b>9,737</b>	<b>8,876</b>	<b>9.7</b>
<u>Other items of income</u>				
Interest income		339	196	73.0
Other credits	2	327	884	(63.0)
<u>Other items of expenses</u>				
Marketing and distribution costs		(986)	(1,105)	(10.8)
Administrative expenses		(7,567)	(7,186)	5.3
Finance costs		(406)	(557)	(27.1)
Other charges	2	(650)	(26)	2,400.0
Share of loss from equity-accounted associate		(52)	(174)	(70.1)
Share of profit from equity-accounted joint venture		-	6	(100.0)
<b>Profit before tax</b>		<b>742</b>	<b>914</b>	<b>(18.8)</b>
Income tax expense		(72)	(105)	(31.4)
<b>Profit after tax</b>		<b>670</b>	<b>809</b>	<b>(17.2)</b>
Profit attributable to owners of the parent, net of tax		540	585	(7.7)
Profit attributable to non-controlling interests, net of tax		130	224	(42.0)
		<b>670</b>	<b>809</b>	<b>(17.2)</b>
<u>Other comprehensive income / (loss), net of tax</u>				
Fair value gain on available-for-sale financial assets		2	76	97.4
Exchange differences on translating foreign operations		(447)	(259)	72.6
<b>Total comprehensive income</b>		<b>225</b>	<b>626</b>	<b>(64.1)</b>
<u>Total comprehensive income:</u>				
Attributable to owners of the parent, net of tax		95	402	(76.4)
Attributable to non-controlling interests, net of tax		130	224	(42.0)
		<b>225</b>	<b>626</b>	<b>(64.1)</b>

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

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

The insurance premium expense of \$3,202,000 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.

The reclassifications are as follows:

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

Revenue  
Cost of sales

<b>After reclassification S\$'000</b>	<b>Before reclassification S\$'000</b>	<b>Differences S\$'000</b>
38,462	41,664	(3,202)
(29,586)	(32,788)	3,202

### **Note 2**

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

Bad debts written off trade receivables  
Foreign exchange adjustment (losses) / gains  
Gain on disposal of investment properties  
Gain on disposal of plant and equipment  
Gain on disposal of a subsidiary  
Gain on disposal of available-for-sale financial assets  
Negative goodwill arising from acquisition of a subsidiary  
Government grant income  
Warranty expense  
Net

<b>Year Ended</b>		
<b>28 Feb 2014 S\$'000</b>	<b>28 Feb 2013 S\$'000</b>	<b>Change %</b>
(103)	(26)	296.2
(165)	36	(558.3)
-	816	(100.0)
6	10	(40.0)
189	-	NA
-	7	(100.0)
10	-	NA
122	15	713.3
(382)	-	NA
<b>(323)</b>	<b>858</b>	<b>(137.6)</b>
Presented in profit or loss as:		
327	884	(63.0)
(650)	(26)	2,400.0
<b>(323)</b>	<b>858</b>	<b>(137.6)</b>

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>28 Feb 2014</b> S\$'000	<b>28 Feb 2013</b> S\$'000	<b>28 Feb 2014</b> S\$'000	<b>28 Feb 2013</b> S\$'000
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Investment properties	1,022	1,087	-	-
Property, plant and equipment	7,688	7,135	2,201	2,256
Intangible assets	1,481	1,798	-	-
Investments in subsidiaries	-	-	10,229	10,762
Investments in associates	1	70	-	-
Investment in joint venture	6	6	-*	-*
Finance lease receivables	5,252	5,813	-	-
Available-for-sale financial assets	257	1,530	257	1,530
Deferred tax assets	29	29	20	20
<b>Total non-current assets</b>	<b>15,736</b>	<b>17,468</b>	<b>12,707</b>	<b>14,568</b>
<b><u>Current assets</u></b>				
Inventories	5,577	7,372	-	-
Trade and other receivables	7,846	4,084	9,883	4,954
Finance lease receivables	4,520	4,264	-	-
Available-for-sale financial assets	1,267	-	1,267	-
Other assets	1,268	1,046	41	38
Cash and cash equivalents	9,145	12,974	4,542	7,373
<b>Total current assets</b>	<b>29,623</b>	<b>29,740</b>	<b>15,733</b>	<b>12,365</b>
<b>Total assets</b>	<b>45,359</b>	<b>47,208</b>	<b>28,440</b>	<b>26,933</b>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity</u></b>				
Share capital	31,208	31,208	31,208	31,208
Accumulated losses	(1,800)	(2,340)	(6,356)	(7,583)
Other reserves	(1,006)	(561)	19	17
<b>Equity, attributable to owners of the parent</b>	<b>28,402</b>	<b>28,307</b>	<b>24,871</b>	<b>23,642</b>
Non-controlling interests	2,840	2,910	-	-
<b>Total equity</b>	<b>31,242</b>	<b>31,217</b>	<b>24,871</b>	<b>23,642</b>
<b><u>Non-current liabilities</u></b>				
Deferred tax liabilities	316	377	-	-
Other financial liabilities	100	221	6	72
<b>Total non-current liabilities</b>	<b>416</b>	<b>598</b>	<b>6</b>	<b>72</b>
<b><u>Current liabilities</u></b>				
Income tax payable	210	41	-	-
Trade and other payables	3,142	3,862	2,925	2,492
Other financial liabilities	10,349	11,490	638	727
<b>Total current liabilities</b>	<b>13,701</b>	<b>15,393</b>	<b>3,563</b>	<b>3,219</b>
<b>Total liabilities</b>	<b>14,117</b>	<b>15,991</b>	<b>3,569</b>	<b>3,291</b>
<b>Total equity and liabilities</b>	<b>45,359</b>	<b>47,208</b>	<b>28,440</b>	<b>26,933</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 28 Feb 2014</b>		<b>As at 28 Feb 2013</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
9,778	571	10,755	735

Amount repayable after one year

<b>As at 28 Feb 2014</b>		<b>As at 28 Feb 2013</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
100	-	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 statement of cash flows (for the group), together with a comparative statement for the corresponding year of the immediately preceding financial year.

**Consolidated Statement of Cash Flows**

		<b>Group</b>	
		<b>Year Ended</b>	
		<b>28 Feb 2014</b>	<b>28 Feb 2013</b>
		<b>S\$'000</b>	<b>S\$'000</b>
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Profit before tax		<b>742</b>	<b>914</b>
<u>Adjustments for:</u>			
Interest income		(339)	(196)
Interest expense		406	557
Negative goodwill		(10)	-
Depreciation of property, plant and equipment		1,607	1,490
Depreciation of investment properties		26	26
Amortisation of other intangible assets		238	238
Gain on disposal of investment properties		-	(816)
Gain on disposal of plant and equipment		(6)	(10)
Gain on disposal of subsidiary		(189)	-
Gain on disposal of available-for-sales financial assets		-	(7)
Share of loss of equity-accounted associate		52	174
Share of profit from equity-accounted joint venture		-	(6)
<b>Operating cash flows before changes in working capital</b>		<b>2,527</b>	<b>2,364</b>
Inventories		1,954	309
Trade and other receivables		100	3,964
Other assets		(261)	(21)
Finance lease receivables		305	(1,098)
Trade and other payables		(1,076)	883
<b>Net cash flows from operations before tax</b>		<b>3,549</b>	<b>6,401</b>
Income taxes refund / (paid)		114	(256)
<b>Net cash flows from operating activities</b>		<b>3,663</b>	<b>6,145</b>
<b>Cash flows from investing activities</b>			
Disposal of investment properties		-	10,625
Disposal of plant and equipment		337	13
Disposal of available-for-sale financial assets		-	3,617
Purchase of plant and equipment		(1,793)	(1,062)
Purchase of investment properties		-	(4,767)
Purchase of available-for-sale financial assets		-	(1,004)
Other receivables		(3,510)	-
Acquisition of a subsidiary, net of cash acquired	<b>3</b>	(347)	(2,025)
Proceeds from disposal of subsidiary, net of cash disposed	<b>3</b>	300	-
Interest received		339	196
<b>Net cash flows (used in) / from investing activities</b>		<b>(4,674)</b>	<b>5,593</b>
<b>Cash flows from financing activities</b>			
Issue of shares		-	3,205
Increase from new borrowings		-	4,481
Dividends paid to non-controlling interests		(200)	(200)
Decrease in borrowings		(1,369)	(8,383)
Finance lease repayments		(663)	(921)
Interest paid		(406)	(557)
<b>Net cash flows used in financing activities</b>		<b>(2,638)</b>	<b>(2,375)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,649)</b>	<b>9,363</b>
Cash and cash equivalents, statement of cash flows, beginning balance		12,962	3,757
Effect of exchange rate changes on cash and cash equivalents		(180)	(158)
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	<b>4</b>	<b>9,133</b>	<b>12,962</b>

**Note 3**

In FY2014, the Group acquired 100% equity in Dynasty Culture Sdn Bhd ("Dynasty") and completed the sale of its 100% interest in Jackspeed Aviation Pte Ltd ("JA").

The aggregate effects of acquisition of subsidiary on the cash flows of the Group

	<b>Acquisition</b>	
	<b>Provisional fair value *</b>	<b>Pre-acquisition book value</b>
	S\$'000	S\$'000
<u>Identifiable assets and liabilities</u>		
Cash and cash equivalents	127	127
Trade and other receivables	352	352
Other assets	44	44
Inventories	233	233
Plant and equipment	231	231
Total assets	<u>987</u>	<u>987</u>
Trade and other payables	(356)	(356)
Finance lease payables	(92)	(92)
Other financial liabilities	(52)	(52)
Income tax payable	(3)	(3)
Total liabilities	<u>(503)</u>	<u>(503)</u>
Identifiable net assets acquired	<u>484</u>	<u>484</u>
Consideration	474	
Less: Fair value of identifiable net assets acquired (provisional amounts)	(484)	
Negative goodwill	<u>(10)</u>	
Cash consideration paid	474	
Less: Cash and cash equivalents in subsidiary acquired	(127)	
Net cash outflow from acquisition	<u>347</u>	

\* The initial accounting for the business combination is still incomplete at the end of financial year particularly with respect to the purchase price allocation.

The aggregate effects of disposal of subsidiary on the cash flows of the Group

	<b>Disposal Carrying amounts</b>
	S\$'000
<u>Identifiable assets and liabilities</u>	
Other assets	2
Inventories	74
Plant and equipment	35
Total assets	<u>111</u>
Identifiable net assets disposed	<u>111</u>
Share of identifiable net assets disposed	111
Gain on disposal	189
Cash proceeds from disposal	300
Net cash inflow from disposal	<u>300</u>

**Note 4****Represented by:**

Balance as per cash and cash equivalents in the statement of financial position

Restricted cash

**Cash and cash equivalents for statement of cash flows purposes**

<b>28 Feb 2014</b>	<b>28 Feb 2013</b>
S\$'000	S\$'000
9,145	12,974
(12)	(12)
<b>9,133</b>	<b>12,962</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 year of the immediately preceding financial year.

**Statements of Changes in Equity**

	Note	Group		Company	
		28 Feb 2014 S\$'000	28 Feb 2013 S\$'000	28 Feb 2014 S\$'000	28 Feb 2013 S\$'000
<b>Share capital</b>					
Balance at beginning of the year		31,208	28,003	31,208	28,003
Issuance of ordinary shares		-	3,205	-	3,205
<b>Balance at end of the year</b>		<b>31,208</b>	<b>31,208</b>	<b>31,208</b>	<b>31,208</b>
<b>Other reserves</b>					
Balance at beginning of the year		(561)	(378)	17	(59)
Total comprehensive (loss) / income for the year		(445)	(183)	2	76
<b>Balance at end of the year</b>		<b>(1,006)</b>	<b>(561)</b>	<b>19</b>	<b>17</b>
<b>Accumulated losses</b>					
Balance at beginning of the year		(2,340)	(2,925)	(7,583)	(11,047)
Total comprehensive income for the year		540	585	1,227	3,464
<b>Balance at end of the year</b>		<b>(1,800)</b>	<b>(2,340)</b>	<b>(6,356)</b>	<b>(7,583)</b>
Equity, attributable to owners of the parent		<b>28,402</b>	<b>28,307</b>	<b>24,871</b>	<b>23,642</b>
<b>Non-controlling interests</b>					
Balance at beginning of the year		2,910	2,608	-	-
Acquisition of subsidiary	5	-	278	-	-
Dividend		(200)	(200)	-	-
Total comprehensive income for the year		130	224	-	-
<b>Balance at end of the year</b>		<b>2,840</b>	<b>2,910</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>31,242</b>	<b>31,217</b>	<b>24,871</b>	<b>23,642</b>

**Note 5**

In FY2013, non-controlling interests from the acquisition of subsidiary arise from the completion of purchase price allocation exercise for Index Credit Pte Ltd and its subsidiaries.

- 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	
	28 Feb 2014 No. of shares '000	28 Feb 2013 No. of shares '000
<b>Ordinary shares of no par value</b>		
Balance at beginning of the year	251,043	209,243
Issue of shares at \$0.0795 each	-	41,800
Balance at end of the 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 year and as at the end of the immediately preceding year.

251,043,000 ordinary shares are issued as at 28 February 2014 (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 year compared to the audited financial statements as at 28 February 2013 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 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	
	28 Feb 2014 Cents	28 Feb 2013 Cents
Earnings per ordinary share for the year based on profit attributable to owners of the parent, net of tax		
a) Based on weighted average number of ordinary shares of 251,043,000 (2013: 248,524,000)	0.22	0.24
b) On a fully diluted basis	0.22	0.24

**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	
	28 Feb 2014 Cents	28 Feb 2013 Cents	28 Feb 2014 Cents	28 Feb 2013 Cents
* Net asset value per ordinary share based on issued share capital as at the end of the financial year	12.44	12.43	9.91	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.

On 23 January 2014, the Group, through its wholly-owned subsidiary, Jackspeed Leather Special Manufacturer (M) Sdn Bhd, acquired 100% shareholding interest in Dynasty for a consideration of 1.2 million Malaysian Ringgit. Dynasty, a company incorporated in Malaysia, is in the business of manufacturing of automotive leather interior products.

**Impact of acquisition from the date of acquisition**

	<b>Year Ended</b>
	<b>28 Feb 2014</b>
	S\$'000
Revenue	405
Expenses	(377)
Profit before tax from acquired subsidiary	28
Tax	(5)
Profit after tax from acquired subsidiary	<b>23</b>
Profit after tax from acquired subsidiary attributable to non-controlling interests	-
Profit after tax from acquired subsidiary attributable to owners of the parent	<b>23</b>

For illustration purpose only and assuming the acquisition had been completed at the beginning of FY2014:

**Impact of acquisition from the beginning of the financial year**

	<b>Year Ended</b>
	<b>28 Feb 2014</b>
	S\$'000
Revenue	2,694
Expenses	(2,396)
Profit before tax from acquired subsidiary	298
Tax	(8)
Profit after tax from acquired subsidiary	<b>290</b>
Profit after tax from acquired subsidiary attributable to non-controlling interests	-
Profit after tax from acquired subsidiary attributable to owners of the parent	<b>290</b>

### **Revenue by segments**

Group revenue in FY2014 decreased by \$4.4 million or 12% as compared to prior year. In FY2014, the Leather, Accessories and Automotive segments accounted for 40%, 16% and 44% of the Group's revenue respectively as compared to 39%, 14% and 47% respectively in prior year.

#### **Leather segment**

Revenue from the Leather segment decreased by \$1.5 million or 10% from \$15.1 million in FY2013 to \$13.6 million in FY2014. This is mainly due to the disposal of JA in Q3FY2014 and the decrease in the revenue from trading of automotive spare parts, offset by the increase in revenue contributed by Ultimate Vehicle Pty Ltd ("Ultimate"), a wholly-owned subsidiary acquired in Q3FY2013.

#### **Accessories segment**

Revenue from the Accessories segment in FY2014 (\$5.6 million) remained consistent as compared to FY2013 (\$5.4 million).

#### **Automotive segment**

Revenue from the Automotive segment decreased by \$3.2 million or 18% from \$18.1 million in FY2013 to \$14.9 million in FY2014. This is mainly due to the impact of the vehicle loan curbs on the business.

### **Operating profit by segments**

#### **Leather segment**

Operating loss from the Leather segment increased by \$0.1 million from \$0.5 million in FY2013 to \$0.6 million in FY2014. This is mainly due to higher losses recorded by JA during the year.

#### **Accessories segment**

Operating profit from the Accessories segment increased by \$0.3 million from \$0.4 million in FY2013 to \$0.7 million in FY2014. This is mainly due to more effective management of existing projects which yielded higher gross profit margin.

#### **Automotive segment**

Operating profit from the Automotive segment in FY2014 (\$0.7 million) remained consistent as compared to FY2013 (\$0.7 million).

### **Statement of comprehensive income**

Gross profit margin increased by 6% mainly due to:

- (i) higher gross profit margin contributed by Ultimate acquired in Q3FY2013; and
- (ii) higher gross profit margin from the Accessories segment aforementioned.

The increase in interest income by \$0.1 million or 73% as compared to prior year is mainly due to interest income from interest-bearing loans to external parties.

Other credits in FY2013 mainly relate to the gain on disposal of investment properties (\$0.8 million). Other credits in FY2014 mainly relate to gain on disposal of JA (\$0.2 million) and government grant income (\$0.1 million).

The decrease in marketing and distribution costs by \$0.1 million is mainly due to the decrease in overseas travelling expenses.

The decrease in finance costs by \$0.2 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 FY2013 relate to bad debts written off trade receivables (\$26,000). Other charges in FY2014 comprise of bad debts written off trade receivables (\$0.1 million), foreign exchange adjustment losses (\$0.2 million) mainly in relation to the depreciation of Thai Baht for Thai Baht-denominated receivables and warranty expense (\$0.4 million) in relation to a Thailand project.

## **Statements of financial position**

### **Group**

The decrease in intangible assets by \$0.3 million is mainly due to the amortisation of other intangible assets.

The \$1.8 million decrease in inventories is mainly due to the disposal of JA (\$0.2 million) and the Group's efforts in minimising inventory levels.

The \$3.8 million increase in trade and other receivables is mainly due to interest-bearing loans (\$3.5 million) and the acquisition of Dynasty (\$0.3 million).

The \$0.2 million increase in other assets is mainly due to prepaid rentals for office facilities amounting to \$0.2 million.

The \$0.1 million decrease in deferred tax liabilities is mainly due to the recognition of deferred tax income relating to other intangible assets and relating to the excess of net book values of plant and equipment over tax values.

The \$0.7 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.

The \$1.3 million decrease in other financial liabilities (current and non-current) is mainly due to the repayment of hire purchase loans for motor vehicles and bank loans under floor stocking facilities.

### **Company**

The \$4.9 million increase in trade and other receivables is mainly due to interest-bearing loans (\$2.3 million) and loans to a wholly-owned subsidiary (\$2.3 million).

The \$0.4 million increase in trade and other payables is mainly due to the increase in the amount payable to a subsidiary.

The decrease in other financial liabilities (current and non-current) by \$0.2 million is due to the repayment of a hire purchase loan for motor vehicle and repayment of bank trust receipts.

## **Consolidated statement of cash flows**

Cash and cash equivalents decreased by approximately \$3.6 million in FY2014 mainly as a result of the acquisition of Dynasty (\$0.3 million), purchase of plant and equipment (\$1.8 million), interest-bearing loans (\$3.5 million) and the repayment of finance leases and other financial liabilities (\$2.0 million). This is offset by the net cash flows from operating activities (\$3.7 million) and the proceeds from disposal of JA (\$0.3 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 year.

**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.**

Despite the implementation of motor vehicle loan curbs, rising material and labour costs, the Group has delivered consistent results performance in FY2014. In particular, there is an improvement in the Group's operating profit.

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)**

**Type of dividend**

Interim

Final

Tax rate

<b>Group and Company</b>	
<b>FY2014</b> Cents	<b>FY2013</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 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 year ended 28 February 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 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</b> S\$'000	<b>Net Proceeds Used to Date</b> S\$'000	<b>Balance as at 29 April 2014</b> S\$'000	<b>Description</b>
Working Capital	3,205	1,114	2,091	General and administrative costs
<b>Total</b>	<b>3,205</b>	<b>1,114</b>	<b>2,091</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.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Business segments**

The Group's operating businesses are currently organised according to their nature of business activities. Such structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. These are grouped into the following segments and represents the basis on which the Group reports its segment information:-

**Leather segment** comprises sales of leather trim to car distributors, dealers and manufacturers in automotive and aviation industries;

**Accessories segment** comprises sales of accessories to car distributors, dealers and Original Equipment Manufacturers in the automobile industry; and

**Automotive segment** comprises of sales from trading, financing and rental of motor vehicles and business of commission agents.

**FY2014**

	<b>Leather</b>	<b>Accessories</b>	<b>Automotive</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>	<b>13,600</b>	<b>5,561</b>	<b>14,875</b>	<b>34,036</b>
<b>Operating (loss) / profit</b>	<b>(561)</b>	<b>729</b>	<b>747</b>	<b>915</b>
Interest income	327	13	-	340
Finance costs	(25)	-	(381)	(406)
Other credits	302	-	25	327
Other charges	-	(382)	-	(382)
Share of loss from equity-accounted associate	-	-	(52)	(52)
Profit before tax	43	360	339	742
Income tax expense				(72)
<b>Profit after tax</b>				<b>670</b>

	<b>Leather</b>	<b>Accessories</b>	<b>Automotive</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation expense	-	-	238	238
Depreciation expense	364	113	1,156	1,633
Capital expenditure	147	12	2,260	2,419
Reportable segment assets	24,114	3,301	17,944	45,359
Reportable segment liabilities	2,204	946	10,967	14,117

**FY2013**

	<b>Leather</b>	<b>Accessories</b>	<b>Automotive</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>	<b>15,053</b>	<b>5,353</b>	<b>18,056</b>	<b>38,462</b>
<b>Operating (loss) / profit</b>	<b>(485)</b>	<b>360</b>	<b>727</b>	<b>602</b>
Interest income	136	-	60	196
Finance costs	(45)	(1)	(511)	(557)
Other credits	25	-	816	841
Share of loss from equity-accounted associate	-	-	(174)	(174)
Share of profit from equity-accounted joint venture	6	-	-	6
(Loss) / profit before tax	(363)	359	918	914
Income tax expense				(105)
<b>Profit after tax</b>				<b>809</b>

	<b>Leather</b>	<b>Accessories</b>	<b>Automotive</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation expense	-	-	238	238
Depreciation expense	355	102	1,059	1,516
Capital expenditure	547	13	5,589	6,149
Reportable segment assets	23,900	3,557	19,751	47,208
Reportable segment liabilities	2,239	849	12,903	15,991

### **Geographical segments**

During the year, the Group's main operations are located in Singapore, Malaysia, Thailand and Australia.

Revenues are attributed to countries based on the customer's location.

	Revenue		Non-current assets	
	FY2014 S\$'000	FY2013 S\$'000	FY2014 S\$'000	FY2013 S\$'000
Singapore	18,736	24,475	6,246	5,879
Malaysia	1,154	1,412	2,988	2,992
Thailand	5,559	5,322	147	279
Europe <sup>(1)</sup>	4,148	2,836	-	-
Australia	2,254	1,599	817	946
Others <sup>(2)</sup>	2,185	2,818	-	-
<b>Total</b>	<b>34,036</b>	<b>38,462</b>	<b>10,198</b>	<b>10,096</b>

<sup>(1)</sup> Comprises mainly of Denmark, Netherland, Belgium, Ireland, Sweden and the United Kingdom.

<sup>(2)</sup> Comprises mainly of Hong Kong, Japan and Mauritius.

**16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Refer to paragraphs 8, 10 and 15.

**17 A breakdown of sales.**

	Group		
	FY2014 S\$'000	FY2013 S\$'000	Change %
(a) Sales reported for first half year	19,558	21,016	(6.9)
(b) Operating profit after tax before deducting minority interests reported for the first half year	211	322	(34.5)
(c) Sales reported for second half year	14,478	17,446	(17.0)
(d) Operating profit after tax before deducting minority interests reported for the second half year	459	487	(5.7)

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

**Ordinary dividend**

Interim exempt (one-tier)

Final exempt (one-tier)

Preference dividend

FY2014 S\$'000	FY2013 S\$'000
Nil	Nil
Nil	Nil
Nil	Nil

**19 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) in the format below. 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