JACKSPEED CORPORATION LIMITED
(Incorporated in Singapore)
Registration No. 199300300W

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FULL YEAR ENDED 29 FEBRUARY 2016

## 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 | S\$'000 | S\$'000 | $\%$ |
| :---: | :---: | :---: | :---: | :---: |
| Revenue |  | 65,696 | 40,099 | 63.8 |
| Cost of sales |  | $(52,901)$ | $(28,814)$ | 83.6 |
| Gross profit |  | 12,795 | 11,285 | 13.4 |
| Other items of income |  |  |  |  |
| Interest income |  | 384 | 392 | (2.0) |
| Other gains | 1 | 5,025 | 475 | 957.9 |
| Other items of expenses |  |  |  |  |
| Marketing and distribution costs |  | (536) | (523) | 2.5 |
| Administrative expenses |  | $(8,400)$ | $(7,805)$ | 7.6 |
| Finance costs - interest expense |  | (447) | (365) | 22.5 |
| Other expenses | 1 | (294) | (231) | 27.3 |
| Share of loss from equity-accounted associate |  | (1) | - | N.M. |
| Share of loss from equity-accounted joint venture |  | (1) | (2) | (50.0) |
| Profit before tax from continuing operations |  | 8,525 | 3,226 | 164.3 |
| Income tax expense |  | (639) | (619) | 3.2 |
| Profit net of tax from continuing operations |  | 7,886 | 2,607 | 202.5 |
| Profit attributable to owners of the parent, net of tax |  | 7,351 | 2,313 | 217.8 |
| Profit attributable to non-controlling interests, net of tax |  | 535 | 294 | 82.0 |
|  |  | 7,886 | 2,607 | 202.5 |

## Other comprehensive loss, net of tax

Items that may be reclassified subsequently to profit or loss:
Fair value loss on available-for-sale financial assets
Reclassification of available-for-sale financial assets resulting from redemption of bonds
Exchange differences on translating foreign operations
Total comprehensive income
Total comprehensive income:
Attributable to owners of the parent, net of tax Attributable to non-controlling interests, net of tax

|  |  |  |
| ---: | ---: | ---: |
| $(20)$ | $(2)$ | 900.0 |
| - | $(13)$ | N.M. |
| $(872)$ | $(37)$ | $2,256.8$ |
| $\mathbf{6 , 9 9 4}$ | $\mathbf{2 , 5 5 5}$ | $\mathbf{1 7 3 . 7}$ |
|  |  |  |
| 6,459 | 2,261 | 185.7 |
| 535 | 294 | 82.0 |
| $\mathbf{6 , 9 9 4}$ | $\mathbf{2 , 5 5 5}$ | $\mathbf{1 7 3 . 7}$ |

## Note 1

Other gains and (other expenses)
Allowance for impairment of other receivables
Allowance for impairment of finance lease receivables
Bad debts written off - trade receivables
Bad debts recovered / (written off) - finance lease receivables
Foreign exchange adjustment gains
Gain on disposal of property, plant and equipment
Gain on disposal of available-for-sale financial assets
Government grant income
Impairment of goodwill
Net
Presented in profit or loss as:
Other gains
Other expenses
Net

N.M.: Not meaningful.

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

## ASSETS

Non-current assets
Investment property
Property, plant and equipment
Intangible assets
Investments in subsidiaries
Investments in associates
Investment in joint venture
Other receivables
Finance lease receivables
Available-for-sale financial assets
Deferred tax assets
Total non-current assets

## Current assets

Inventories
Trade and other receivables
Finance lease receivables
Available-for-sale financial assets
Other assets
Cash and cash equivalents
Total current assets

Non-current asset classified as held-for-sale

## Total assets

## EQUITY AND LIABILITIES

Equity attributable to owners of the parent
Share capital
Retained earnings / (accumulated losses)
Other reserves
Equity attributable to owners of the parent
Non-controlling interests
Total equity

## Non-current liabilities

Deferred tax liabilities
Other financial liabilities
Total non-current liabilities

## Current liabilities

Income tax payable
Trade and other payables
Other financial liabilities
Total current liabilities
Total liabilities

Total equity and liabilities

* Cost of investment is less than $\$ 1,000$.

|  |  | Company |  |
| :---: | :---: | :---: | :---: |
| Group |  | As at |  |
| $\begin{gathered} 29 \text { Feb } 2016 \\ \text { S\$'000 } \end{gathered}$ | $\begin{gathered} 28 \text { Feb } 2015 \\ \text { S\$'000 } \end{gathered}$ | $\begin{gathered} 29 \text { Feb } 2016 \\ \text { S\$'000 } \end{gathered}$ | $\begin{gathered} 28 \text { Feb } 2015 \\ \text { S\$'000 } \end{gathered}$ |
| 843 | 972 | - | - |
| 9,709 | 8,728 | 317 | 228 |
| 902 | 1,248 | - | - |
| - | - | 10,229 | 10,229 |
| - | 1 | - |  |
| 3 | 4 | - * |  |
| 10,000 | - | 10,000 |  |
| 11,662 | 6,510 | - | - |
| 273 | 254 | 273 | 254 |
| 9 | 9 | - | - |
| 33,401 | 17,726 | 20,819 | 10,711 |
| 4,445 | 5,784 | - |  |
| 9,957 | 8,709 | 11,580 | 10,712 |
| 6,318 | 4,850 | - | - |
| 1,249 | 503 | 1,249 | 503 |
| 2,824 | 1,387 | 32 | 40 |
| 8,372 | 11,167 | 1,217 | 6,354 |
| 33,165 | 32,400 | 14,078 | 17,609 |
| - | 1,808 | - | 1,808 |
| 66,566 | 51,934 | 34,897 | 30,128 |
| 31,208 | 31,208 | 31,208 | 31,208 |
| 7,864 | 513 | (131) | $(5,440)$ |
| $(1,950)$ | $(1,058)$ | (16) | 4 |
| 37,122 | 30,663 | 31,061 | 25,772 |
| 3,109 | 2,894 | - | - |
| 40,231 | 33,557 | 31,061 | 25,772 |
| 197 | 246 | - |  |
| 31 | 236 | - | - |
| 228 | 482 | - | - |
| 309 | 326 | - | - |
| 4,878 | 4,732 | 3,343 | 3,249 |
| 20,920 | 12,837 | 493 | 1,107 |
| 26,107 | 17,895 | 3,836 | 4,356 |
| 26,335 | 18,377 | 3,836 | 4,356 |
| 66,566 | 51,934 | 34,897 | 30,128 |

## 1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

| As at 29 Feb 2016 |  | As at 28 Feb 2015 |  |
| :---: | :---: | :---: | :---: |
| $\begin{aligned} & \hline \text { Secured } \\ & \text { S\$'000 } \end{aligned}$ | Unsecured S\$'000 | $\begin{aligned} & \hline \text { Secured } \\ & \text { S\$'000 } \end{aligned}$ | Unsecured S\$'000 |
| 19,424 | 1,496 | 11,735 | 1,102 |

Amount repayable after one year

| As at 29 Feb 2016 |  | As at 28 Feb 2015 |  |
| :---: | :---: | :---: | :---: |
| Secured <br> S $\$ \prime 000$ | Unsecured | Secured | Unsecured |
| 31 |  | S ${ }^{\prime} 000$ | S ${ }^{\prime} 000$ |

## 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

## Cash flows from operating activities

Profit before tax
Adjustments for:
Interest income
Interest expense
Impairment of goodwill
Depreciation of property, plant and equipment
Depreciation of investment property
Amortisation of other intangible assets
Gain on disposal of property, plant and equipment
Gain on disposal of available-for-sale financial assets
Share of loss from equity-accounted associate
Share of loss from equity-accounted joint venture
Operating cash flows before changes in working capital

## Inventories

Trade and other receivables
Other assets
Finance lease receivables
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

Proceeds from disposal of property, plant and equipment
Proceeds from disposal of available-for-sale financial assets
Purchase of property, plant and equipment
Purchase of available-for-sale financial assets
Other receivables
Interest received
Net cash flows used in investing activities

## Cash flows from financing activities

Dividends paid to non-controlling interests
Decrease in borrowings
Finance lease repayments
Interest paid
Net cash flows used in financing activities
Net (decrease) / increase in cash and cash equivalents
Cash and cash equivalents, statement of cash flows, beginning balance
Effect of exchange rate changes on cash and cash equivalents
Cash and cash equivalents, statement of cash flows, ending balance

Note

| Note | Group |  |
| :---: | :---: | :---: |
|  | Year Ended |  |
|  | $\begin{gathered} 29 \text { Feb } 2016 \\ \text { S\$'000 } \\ \hline \end{gathered}$ | $\begin{gathered} 28 \text { Feb } 2015 \\ \text { S\$'000 } \\ \hline \end{gathered}$ |
|  | 8,525 | 3,226 |
|  | (384) | (392) |
|  | 447 | 365 |
|  | 201 | - |
|  | 2,168 | 1,873 |
|  | 23 | 25 |
|  | 113 | 188 |
|  | $(4,661)$ | (55) |
|  | ) | (134) |
|  | 1 |  |
|  | 1 | 2 |
|  | 6,434 | 5,098 |
|  | 2,024 | 214 |
|  | (625) | $(1,414)$ |
|  | $(1,527)$ | (62) |
|  | 1,246 | 109 |
|  | 264 | 1,590 |
|  | 7,816 | 5,535 |
|  | (614) | (610) |
|  | 7,202 | 4,925 |
|  | 6,515 | 333 |
|  | 500 | 3,880 |
|  | $(1,142)$ | $(3,653)$ |
|  | $(1,296)$ | $(3,002)$ |
|  | $(10,769)$ | 551 |
|  | 384 | 392 |
|  | $(5,808)$ | $(1,499)$ |
|  | (320) | (240) |
|  |  | (82) |
|  | $(3,126)$ | (797) |
|  | (447) | (365) |
|  | $(3,919)$ | $(1,484)$ |
|  | $(2,525)$ | 1,942 |
|  | 11,154 | 9,133 |
|  | (269) | 79 |
| 2 | 8,360 | 11,154 |


| Note | Group |  |
| :---: | :---: | :---: |
|  | Year Ended |  |
|  | $\begin{gathered} 29 \text { Feb } 2016 \\ \text { S\$'000 } \\ \hline \end{gathered}$ | $\begin{gathered} 28 \text { Feb } 2015 \\ \text { S\$'000 } \\ \hline \end{gathered}$ |
|  | 8,525 | 3,226 |
|  | (384) | (392) |
|  | 447 | 365 |
|  | 201 | - |
|  | 2,168 | 1,873 |
|  | 23 | 25 |
|  | 113 | 188 |
|  | $(4,661)$ | (55) |
|  | ) | (134) |
|  | 1 | ) |
|  | 1 | 2 |
|  | 6,434 | 5,098 |
|  | 2,024 | 214 |
|  | (625) | $(1,414)$ |
|  | $(1,527)$ | (62) |
|  | 1,246 | 109 |
|  | 264 | 1,590 |
|  | 7,816 | 5,535 |
|  | (614) | (610) |
|  | 7,202 | 4,925 |
|  | 6,515 | 333 |
|  | 500 | 3,880 |
|  | $(1,142)$ | $(3,653)$ |
|  | $(1,296)$ | $(3,002)$ |
|  | $(10,769)$ | 551 |
|  | 384 | 392 |
|  | $(5,808)$ | $(1,499)$ |
|  | (320) | (240) |
|  | (26) | (82) |
|  | $(3,126)$ | (797) |
|  | (447) | (365) |
|  | $(3,919)$ | $(1,484)$ |
|  | $(2,525)$ | 1,942 |
|  | 11,154 | 9,133 |
|  | (269) | 79 |
| 2 | 8,360 | 11,154 |


| Note | Group |  |
| :---: | :---: | :---: |
|  | Year Ended |  |
|  | $\begin{gathered} 29 \text { Feb } 2016 \\ \text { S\$'000 } \\ \hline \end{gathered}$ | $\begin{gathered} 28 \text { Feb } 2015 \\ \text { S\$'000 } \\ \hline \end{gathered}$ |
|  | 8,525 | 3,226 |
|  | (384) | (392) |
|  | 447 | 365 |
|  | 201 | - |
|  | 2,168 | 1,873 |
|  | 23 | 25 |
|  | 113 | 188 |
|  | $(4,661)$ | (55) |
|  | ) | (134) |
|  | 1 | ) |
|  | 1 | 2 |
|  | 6,434 | 5,098 |
|  | 2,024 | 214 |
|  | (625) | $(1,414)$ |
|  | $(1,527)$ | (62) |
|  | 1,246 | 109 |
|  | 264 | 1,590 |
|  | 7,816 | 5,535 |
|  | (614) | (610) |
|  | 7,202 | 4,925 |
|  | 6,515 | 333 |
|  | 500 | 3,880 |
|  | $(1,142)$ | $(3,653)$ |
|  | $(1,296)$ | $(3,002)$ |
|  | $(10,769)$ | 551 |
|  | 384 | 392 |
|  | $(5,808)$ | $(1,499)$ |
|  | (320) | (240) |
|  | (26) | (82) |
|  | $(3,126)$ | (797) |
|  | (447) | (365) |
|  | $(3,919)$ | $(1,484)$ |
|  | $(2,525)$ | 1,942 |
|  | 11,154 | 9,133 |
|  | (269) | 79 |
| 2 | 8,360 | 11,154 |


| Note | Group |  |
| :---: | :---: | :---: |
|  | Year Ended |  |
|  | $\begin{gathered} 29 \text { Feb } 2016 \\ \text { S\$'000 } \\ \hline \end{gathered}$ | $\begin{gathered} 28 \text { Feb } 2015 \\ \text { S\$'000 } \\ \hline \end{gathered}$ |
|  | 8,525 | 3,226 |
|  | (384) | (392) |
|  | 447 | 365 |
|  | 201 | - |
|  | 2,168 | 1,873 |
|  | 23 | 25 |
|  | 113 | 188 |
|  | $(4,661)$ | (55) |
|  | ) | (134) |
|  | 1 | ) |
|  | 1 | 2 |
|  | 6,434 | 5,098 |
|  | 2,024 | 214 |
|  | (625) | $(1,414)$ |
|  | $(1,527)$ | (62) |
|  | 1,246 | 109 |
|  | 264 | 1,590 |
|  | 7,816 | 5,535 |
|  | (614) | (610) |
|  | 7,202 | 4,925 |
|  | 6,515 | 333 |
|  | 500 | 3,880 |
|  | $(1,142)$ | $(3,653)$ |
|  | $(1,296)$ | $(3,002)$ |
|  | $(10,769)$ | 551 |
|  | 384 | 392 |
|  | $(5,808)$ | $(1,499)$ |
|  | (320) | (240) |
|  | (26) | (82) |
|  | $(3,126)$ | (797) |
|  | (447) | (365) |
|  | $(3,919)$ | $(1,484)$ |
|  | $(2,525)$ | 1,942 |
|  | 11,154 | 9,133 |
|  | (269) | 79 |
| 2 | 8,360 | 11,154 |


| Note | Group |  |
| :---: | :---: | :---: |
|  | Year Ended |  |
|  | $\begin{gathered} 29 \text { Feb } 2016 \\ \text { S\$'000 } \\ \hline \end{gathered}$ | $\begin{gathered} 28 \text { Feb } 2015 \\ \text { S\$'000 } \\ \hline \end{gathered}$ |
|  | 8,525 | 3,226 |
|  | (384) | (392) |
|  | 447 | 365 |
|  | 201 | - |
|  | 2,168 | 1,873 |
|  | 23 | 25 |
|  | 113 | 188 |
|  | $(4,661)$ | (55) |
|  | ) | (134) |
|  | 1 | - |
|  | 1 | 2 |
|  | 6,434 | 5,098 |
|  | 2,024 | 214 |
|  | (625) | $(1,414)$ |
|  | $(1,527)$ | (62) |
|  | 1,246 | 109 |
|  | 264 | 1,590 |
|  | 7,816 | 5,535 |
|  | (614) | (610) |
|  | 7,202 | 4,925 |
|  | 6,515 | 333 |
|  | 500 | 3,880 |
|  | $(1,142)$ | $(3,653)$ |
|  | $(1,296)$ | $(3,002)$ |
|  | $(10,769)$ | 551 |
|  | 384 | 392 |
|  | $(5,808)$ | $(1,499)$ |
|  | (320) | (240) |
|  |  | (82) |
|  | $(3,126)$ | (797) |
|  | (447) | (365) |
|  | $(3,919)$ | $(1,484)$ |
|  | $(2,525)$ | 1,942 |
|  | 11,154 | 9,133 |
|  | (269) | 79 |
| 2 | 8,360 | 11,154 |365

2109
$\square$

| 29 Feb 2016 <br> S $\$ ' 000$ | 28 Feb 2015 <br> S $\$ \mathbf{0}$ |
| ---: | ---: |
| 8,372 | 11,167 |
| $(12)$ | $(13)$ |
| $\mathbf{8 , 3 6 0}$ | $\mathbf{1 1 , 1 5 4}$ |

## Note 2

## 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

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

## Share capital

Balance at beginning and end of the year

## Other reserves

Balance at beginning of the year
Total comprehensive loss for the year
Balance at end of the year
Retained earnings / (accumulated losses)
Balance at beginning of the year
Total comprehensive income for the year
Balance at end of the year
Equity attributable to owners of the parent
Non-controlling interests
Balance at beginning of the year
Total comprehensive income for the year
Dividends paid to non-controlling interests
Balance at end of the year
Total equity


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.

Ordinary shares of no par value
Balance at beginning and end of the year

| Group and Company |  |
| :---: | :---: |
| 29 Feb 2016 | 28 Feb 2015 |
| No. of shares <br> '000 | No. of shares <br> '000 |
|  |  |

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.
$251,043,579$ ordinary shares are issued as at 29 February 2016 (28 February 2015: 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 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.

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 2015 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 2015. The adoption of these FRS and INT FRS has no significant impact on the financial statements.

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 |  |
| :--- | :---: | :---: |
| Earnings per ordinary share for the year based on profit attributable to owners of the <br> parent, net of tax | $\mathbf{2 9}$ Feb 2016 <br> Cents | $\mathbf{2 8}$ Feb 2015 <br> Cents |
| a) Based on weighted average number of ordinary shares of $251,043,579$ <br> $(2015: 251,043,579)$ | 2.93 | 0.92 |
| b) On a fully diluted basis | 2.93 | 0.92 |

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.

| * Net asset value per ordinary share based on <br> issued share capital as at the end of the financial <br> year | Group |  | Company |  |
| :--- | :---: | :---: | :---: | :---: |
|  | 29 Feb 2016 <br> Cents | 28 Feb 2015 <br> Cents | 29 Feb 2016 <br> Cents | 28 Feb 2015 <br> Cents |
|  | 16.03 | 13.37 | 12.37 | 10.27 |

[^0]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.

## Revenue by segments

Group revenue in FY2016 increased by $\$ 25.6$ million or $64 \%$ as compared to prior year. In FY2016, the Leather, Accessories and Automotive segments accounted for $24 \%$, $14 \%$ and $62 \%$ of the Group's revenue respectively, as compared to $36 \%, 21 \%$ and $43 \%$ respectively in prior year.

## Leather segment

Revenue from the Leather segment increased by $\$ 1.0$ million or $7 \%$ from $\$ 14.5$ million in FY2015 to $\$ 15.5$ million in FY2016. This is mainly due to an increase in revenue from the trading of automotive spare parts, and the supply of seat covers for a new motor vehicle model.

## Accessories segment

Revenue from the Accessories segment increased by $\$ 1.2$ million or $14 \%$ from $\$ 8.3$ million in FY2015 to $\$ 9.5$ million in FY2016. This is mainly due to greater sales demand for existing products.

## Automotive segment

Revenue from the Automotive segment increased by $\$ 23.4$ million or $135 \%$ from $\$ 17.3$ million in FY2015 to $\$ 40.7$ million in FY2016. This is mainly due to:
(i) increase in the number of used motor vehicles sold; and
(ii) higher proportion of relatively new vehicles sold in FY2016. These vehicles generally commanded a higher selling price and hence resulted in the increase in revenue.

## Operating profit by segments

## Leather segment

The Leather segment incurred an operating loss of $\$ 0.4$ million (FY2015: operating profit of $\$ 84,000$ ) despite the increase in revenue in FY2016. This is mainly due to higher raw material costs incurred.

## Accessories segment

Operating profit from the Accessories segment increased by $\$ 0.8$ million from $\$ 2.3$ million in FY 2015 to $\$ 3.1$ million in FY2016. This is mainly due to:
(i) greater sales demand for existing products; and
(ii) more effective cost management in procurement, which yielded higher gross profit margin.

## Automotive segment

Operating profit from the Automotive segment increased by $\$ 1.0$ million from $\$ 2.7$ million in FY 2015 to $\$ 3.7$ million in FY2016. This is mainly due to the increase in revenue aforementioned.

## Statement of comprehensive income

Gross profit margin decreased by $9 \%$ from $28 \%$ in FY2015 to $19 \%$ in FY2016. This is mainly due to:
(i) higher raw material costs from the Leather segment;
(ii) lower gross profit margin from the sale of used motor vehicles in the Automotive segment; and
(iii) higher proportion of relatively new vehicles sold in the Automotive segment in FY2016. These vehicles were generally of a lower gross profit margin.

The increase in other gains by $\$ 4.5$ million from $\$ 0.5$ million in FY2015 to $\$ 5.0$ million in FY2016 is mainly due to a gain of $\$ 4.6$ million recognised from the disposal of a leasehold property located at 47 Loyang Drive Singapore 508955.

The impairment of goodwill of $\$ 0.2$ million in FY2016 (FY2015: NIL) relates to the Group's investment in Ultimate Vehicle Pty Ltd ("Ultimate"), a wholly-owned subsidiary.

The increase in finance costs by $\$ 82,000$ is mainly due to an increase in finance lease liabilities in FY2016 as compared to prior year.

Depreciation and amortisation expenses increased by $\$ 0.2$ million from $\$ 2.1$ million in FY2015 to $\$ 2.3$ million in FY2016. This is mainly due to depreciation of additions to property, plant and equipment in FY2016.

## Statements of financial position

## Group

The $\$ 0.1$ million decrease in investment property is due to foreign currency translation loss in a property held by a Malaysia subsidiary arising from the weakened Malaysian Ringgit.

The $\$ 1.0$ 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 $\$ 0.4$ million; and
(iii) purchase of motor vehicles amounting to $\$ 2.1$ million.

The increase above is partially offset by depreciation expense of $\$ 2.2$ million.
The $\$ 0.3$ million decrease in intangible assets is mainly due the following:
(i) amortisation expense of $\$ 0.1$ million; and
(ii) impairment of goodwill of $\$ 0.2$ million in relation to the Group's investment in Ultimate.

The $\$ 11.2$ million increase in trade and other receivables (current and non-current) is mainly due to a $\$ 10.0$ million equityconvertible loan extended to an external party in Q2FY2016 and a $\$ 1.0$ million loan extended to an external party in Q4FY2016.

The $\$ 6.6$ million increase in finance lease receivables (current and non-current) is mainly due to the new financing loans for motor vehicles granted during the year.

The $\$ 0.8$ million increase in available-for-sale financial assets (current and non-current) is due to the subscription of fixedrated bonds and capital-guaranteed investments ( $\$ 1.3$ million). This is partially offset by the maturity of fixed-rated bonds ( $\$ 0.5$ million).

The $\$ 1.3$ million decrease in inventories is mainly due to improvement in inventory management and control.
The $\$ 1.4$ million increase in other assets is mainly due to an increase in deposits paid to suppliers for the purchase of motor vehicles ( $\$ 1.8$ million). This is partially offset by a decrease in prepayment of expenses amounting to $\$ 0.3$ million.

The $\$ 1.8$ million decrease in non-current asset classified as held-for-sale is due to the sale of a leasehold property located at 47 Loyang Drive Singapore 508955 in FY2016.

The $\$ 7.9$ million increase in other financial liabilities (current and non-current) is mainly due to the following:
(i) $\$ 1.0$ million increase in short-term borrowings from a bank; and
(ii) $\$ 7.5$ million increase in motor vehicle related finance leases and bank loans.

This is partially offset by a $\$ 0.6$ million decrease in trust receipts payable to a bank in relation to the trading of automotive spare parts.

## Company

The $\$ 89,000$ increase in property, plant and equipment is mainly due to the purchase of a motor vehicle amounting to $\$ 0.2$ million. This is partially offset by depreciation expense of $\$ 0.1$ million in FY2016.

The $\$ 10.9$ million increase in trade and other receivables (current and non-current) is mainly due to a $\$ 10.0$ million equityconvertible loan extended to an external party in Q2FY2016 and a $\$ 1.0$ million loan extended to an external party in Q4FY2016.

The $\$ 0.8$ million increase in available-for-sale financial assets (current and non-current) is due to the subscription of fixedrated bonds and capital-guaranteed investments ( $\$ 1.3$ million). This is partially offset by the maturity of fixed-rated bonds ( $\$ 0.5$ million).

The $\$ 1.8$ million decrease in non-current asset classified as held-for-sale is due to the sale of a leasehold property located at 47 Loyang Drive Singapore 508955 in FY2016.

The $\$ 0.6$ million decrease in other financial liabilities (current and non-current) is mainly due to the decrease in trust receipts payable to a bank in relation to the trading of automotive spare parts.

## Consolidated statement of cash flows

Cash and cash equivalents decreased by approximately $\$ 2.8$ million in FY2016 mainly as a result of the purchase of plant and equipment ( $\$ 1.1$ million) and available-for-sale financial assets ( $\$ 1.3$ million), the extension of interest-bearing loans ( $\$ 10.8$ million), the repayment of financial liabilities ( $\$ 3.1$ million) and dividends paid to non-controlling interests (\$0.3 million).

This is partially offset by net cash flows from operating activities ( $\$ 7.2$ million), the sale proceeds from disposal of property, plant and equipment ( $\$ 6.5$ million) and available-for-sale financial assets ( $\$ 0.5$ million).

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.
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 operating environment of the Group is expected to remain challenging given the uncertainties in the economic outlook. The Group continues to face pressures from rising material and labour costs.

Going forward, the Group remains committed to manage costs and pursue growth opportunities.
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

| Group and Company |  |
| :---: | :---: |
| FY2016 <br> Cents | FY2015 <br> 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.
If no dividend has been declared/recommended, a statement to that effect.
No dividend has been declared or recommended for the financial year ended 29 February 2016.
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.
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

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

## Accessories segment

## Automotive segment

## FY2016

## Revenue:

External customers
Inter-segment
Total revenue
Operating (loss) / profit
Interest income
Finance costs
Other gains
Other expenses
Amortisation expense
Depreciation expense
Share of loss from equity-accounted associate
Share of loss from equity-accounted joint venture
Profit before tax Income tax expense
Profit after tax
comprises sales of leather trim to car distributors, dealers and manufacturers in the automotive and aviation industries;
comprises sales of accessories to car distributors, dealers and manufacturers in the automotive industry; and
comprises sales from trading, financing and rental of motor vehicles and business of commission agents.


| Leather | Accessories | Automotive | Adjustments <br> and <br> eliminations | Total |
| :---: | :---: | :---: | :---: | :---: |
| $\mathrm{S} \$^{\prime} 000$ | $\mathrm{~S} \mathbf{'}^{\prime} 000$ | $\mathrm{~S} \$^{\prime} 000$ | $\mathrm{~S} \$^{\prime} 000$ | $\mathrm{~S} \$^{\prime} 000$ |
| 3 | - | - |  | 3 |
| 686 | 102 | 2,634 |  | 3,422 |
| 31,732 | 5,504 | 29,330 |  | 66,566 |
| 3,762 | 1,750 | 20,823 |  | 26,335 |

## Revenue:

External customers
Inter-segment
Total revenue
Operating profit
Interest income
Finance costs
Other gains
Amortisation expense
Depreciation expense
Share of loss from equity-accounted
joint venture
Profit before tax
Income tax expense
Profit after tax


| Leather | Accessories | Automotive | Adjustments <br> and <br> eliminations | Total |
| :---: | :---: | :---: | :---: | :---: |
| $\mathrm{S} \$ \mathbf{\prime} 000$ | $\mathrm{~S} \$^{\prime} 000$ | $\mathrm{~S} \mathbf{S}^{\prime} 000$ | $\mathrm{~S} \$^{\prime} 000$ | $\mathrm{~S} \$^{\prime} 000$ |
| 1 | - | - |  | 1 |
| 4 | - | - | 4 |  |
| 2,549 | 50 | 2,439 |  | 5,038 |
| 27,570 | 4,264 | 20,100 |  | 51,934 |
| 3,857 | 1,533 | 12,987 |  | 18,377 |

Investments in associates
Investment in joint venture
Additions to non-current assets
Total assets
Total liabilities

## 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.

## Singapore

Malaysia
Thailand
Europe ${ }^{(1)}$
Australia
Others ${ }^{(2)}$
Total

| Revenue |  | Non-current assets |  |
| :---: | :---: | :---: | :---: |
| $\begin{gathered} \text { FY2016 } \\ \text { S\$'000 } \end{gathered}$ | $\begin{aligned} & \text { FY2015 } \\ & \text { S\$'000 } \end{aligned}$ | $\begin{gathered} \text { FY2016 } \\ \text { S\$'000 } \end{gathered}$ | $\begin{gathered} \text { FY2015 } \\ \text { S\$'000 } \end{gathered}$ |
| 46,664 | 21,565 | 8,171 | 7,054 |
| 1,210 | 1,546 | 2,606 | 3,019 |
| 9,456 | 8,273 | 192 | 145 |
| 5,582 | 5,797 | - |  |
| 1,624 | 1,675 | 488 | 735 |
| 1,160 | 1,243 | - | - |
| 65,696 | 40,099 | 11,457 | 10,953 |

${ }^{(1)}$ Comprises mainly Denmark, Netherlands, Belgium, Ireland, Sweden, Germany and the United Kingdom.
${ }^{(2)}$ Comprises mainly Japan, Mauritius and New Zealand.
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.

A breakdown of sales.
(a) Sales reported for first half year
(b) Operating profit after tax before deducting non-controlling interests reported for the first half year
(c) Sales reported for second half year
(d) Operating profit after tax before deducting non-controlling interests reported for the second half year

| Group |  |  |
| :---: | :---: | :---: |
| $\begin{aligned} & \hline \text { FY2016 } \\ & \text { S\$'000 } \end{aligned}$ | $\begin{aligned} & \text { FY2015 } \\ & \text { S\$'000 } \end{aligned}$ | Change \% |
| 24,352 | 18,630 | 30.7 |
| 5,943 | 1,629 | 264.8 |
| 41,344 | 21,469 | 92.6 |
| 1,943 | 978 | 98.7 |

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

| FY2016 <br> S\$'000 | FY2015 <br> S\$'000 |
| :---: | :---: |
|  |  |
| Nil | Nil |
| Nil | Nil |
| Nil | Nil |

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).
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
21 APRIL 2016


[^0]:    * Total equity including non-controlling interests.

