



**JACKSPEED CORPORATION LIMITED**

(Incorporated in Singapore)

Registration No. 199300300W

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 AUGUST 2015**

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

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

Statement of Comprehensive Income

	Note	Group		
		Period Ended		
		31 Aug 2015 S\$'000	31 Aug 2014 S\$'000	Change %
Revenue		24,352	18,630	30.7
Cost of sales		(18,621)	(13,022)	43.0
Gross profit		5,731	5,608	2.2
<u>Other items of income</u>				
Interest income		262	206	27.2
Other gains	1	4,978	197	2,426.9
<u>Other items of expenses</u>				
Marketing and distribution costs		(287)	(242)	18.6
Administrative expenses		(4,197)	(3,796)	10.6
Finance costs - interest expense		(200)	(173)	15.6
Other expenses	1	-	(41)	(100.0)
Share of loss from equity-accounted associate		(1)	-	NA
Share of loss from equity-accounted joint venture		(1)	(1)	0.0
Profit before tax from continuing operations		<b>6,285</b>	<b>1,758</b>	<b>257.5</b>
Income tax expense		(342)	(129)	165.1
Profit net of tax from continuing operations		<b>5,943</b>	<b>1,629</b>	<b>264.8</b>
Profit attributable to owners of the parent, net of tax		5,770	1,437	301.5
Profit attributable to non-controlling interests, net of tax		173	192	(9.9)
		<b>5,943</b>	<b>1,629</b>	<b>264.8</b>
<u>Other comprehensive (loss) / income, net of tax</u>				
Items that may be reclassified subsequently to profit or loss:				
Fair value loss on available-for-sale financial assets		(23)	(10)	130.0
Exchange differences on translating foreign operations		(847)	222	(481.5)
Total comprehensive income		<b>5,073</b>	<b>1,841</b>	<b>175.6</b>
<u>Total comprehensive income:</u>				
Attributable to owners of the parent, net of tax		4,900	1,649	197.1
Attributable to non-controlling interests, net of tax		173	192	(9.9)
		<b>5,073</b>	<b>1,841</b>	<b>175.6</b>

**Note 1****Other gains and (other expenses)**

Reversal of allowance for impairment of trade receivables	-	3	(100.0)
Bad debts written off - trade receivables	-	(3)	100.0
Bad debts recovered - finance lease receivables	6	-	NA
Foreign exchange adjustment gains / (losses)	311	(38)	918.4
Gain on disposal of property, plant and equipment	4,624	39	11,756.4
Gain on disposal of available-for-sale financial assets	-	132	(100.0)
Government grant income	37	23	60.9
Net	<b>4,978</b>	<b>156</b>	<b>3,091.0</b>

Presented in profit or loss as:

Other gains	4,978	197	2,426.9
Other expenses	-	(41)	100.0
Net	<b>4,978</b>	<b>156</b>	<b>3,091.0</b>

Period Ended			
31 Aug 2015	31 Aug 2014	Change	
S\$'000	S\$'000	%	
-	3	(100.0)	
-	(3)	100.0	
6	-	NA	
311	(38)	918.4	
4,624	39	11,756.4	
-	132	(100.0)	
37	23	60.9	
<b>4,978</b>	<b>156</b>	<b>3,091.0</b>	
Presented in profit or loss as:			
Other gains	4,978	197	2,426.9
Other expenses	-	(41)	100.0
Net	<b>4,978</b>	<b>156</b>	<b>3,091.0</b>

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

Depreciation of property, plant and equipment	1,053	887	18.7
Depreciation of investment property	12	13	(7.7)
Amortisation of other intangible assets	69	119	(42.0)
Total depreciation and amortisation expenses	<b>1,134</b>	<b>1,019</b>	<b>11.3</b>

Period Ended		
31 Aug 2015	31 Aug 2014	Change
S\$'000	S\$'000	%
1,053	887	18.7
12	13	(7.7)
69	119	(42.0)
<b>1,134</b>	<b>1,019</b>	<b>11.3</b>

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

**Statements of Financial Position**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>31 Aug 2015</b> S\$'000	<b>28 Feb 2015</b> S\$'000	<b>31 Aug 2015</b> S\$'000	<b>28 Feb 2015</b> S\$'000
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Investment property	859	972	-	-
Property, plant and equipment	8,735	8,728	177	228
Intangible assets	1,147	1,248	-	-
Investments in subsidiaries	-	-	10,229	10,229
Investments in associates	-	1	-	-
Investment in a joint venture	3	4	-*	-*
Other receivables	10,120	-	10,120	-
Finance lease receivables	8,655	6,510	-	-
Available-for-sale financial assets	1,273	254	1,273	254
Deferred tax assets	9	9	-	-
<b>Total non-current assets</b>	<b>30,801</b>	<b>17,726</b>	<b>21,799</b>	<b>10,711</b>
<b><u>Current assets</u></b>				
Inventories	5,844	5,784	-	-
Trade and other receivables	7,585	8,709	10,027	10,712
Finance lease receivables	5,501	4,850	-	-
Available-for-sale financial assets	253	503	253	503
Other assets	2,920	1,387	27	40
Cash and cash equivalents	5,866	11,167	2,458	6,354
<b>Total current assets</b>	<b>27,969</b>	<b>32,400</b>	<b>12,765</b>	<b>17,609</b>
Non-current asset classified as held-for-sale	-	1,808	-	1,808
<b>Total assets</b>	<b>58,770</b>	<b>51,934</b>	<b>34,564</b>	<b>30,128</b>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity attributable to owners of the parent</u></b>				
Share capital	31,208	31,208	31,208	31,208
Retained earnings / (accumulated losses)	6,283	513	(1,003)	(5,440)
Other reserves	(1,928)	(1,058)	(19)	4
<b>Equity attributable to owners of the parent</b>	<b>35,563</b>	<b>30,663</b>	<b>30,186</b>	<b>25,772</b>
Non-controlling interests	3,067	2,894	-	-
<b>Total equity</b>	<b>38,630</b>	<b>33,557</b>	<b>30,186</b>	<b>25,772</b>
<b><u>Non-current liabilities</u></b>				
Deferred tax liabilities	276	246	-	-
Other financial liabilities	164	236	-	-
<b>Total non-current liabilities</b>	<b>440</b>	<b>482</b>	<b>-</b>	<b>-</b>
<b><u>Current liabilities</u></b>				
Income tax payable	259	326	-	-
Trade and other payables	3,742	4,732	3,839	3,249
Other financial liabilities	15,699	12,837	539	1,107
<b>Total current liabilities</b>	<b>19,700</b>	<b>17,895</b>	<b>4,378</b>	<b>4,356</b>
<b>Total liabilities</b>	<b>20,140</b>	<b>18,377</b>	<b>4,378</b>	<b>4,356</b>
<b>Total equity and liabilities</b>	<b>58,770</b>	<b>51,934</b>	<b>34,564</b>	<b>30,128</b>

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

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

Amount repayable in one year or less, or on demand

<b>As at 31 Aug 2015</b>		<b>As at 28 Feb 2015</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
15,160	539	11,735	1,102

Amount repayable after one year

<b>As at 31 Aug 2015</b>		<b>As at 28 Feb 2015</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
164	-	236	-

**Details of any collaterals**

The finance lease payables are secured by the lessors' charges over the leased assets.

Bank borrowings and other credit facilities are covered by corporate guarantees from the Company and personal guarantees from non-controlling interests.

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

**Consolidated Statement of Cash Flows**

	Note	Group	
		Period Ended	
		31 Aug 2015 S\$'000	31 Aug 2014 S\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		6,285	1,758
<u>Adjustments for:</u>			
Interest income		(262)	(206)
Interest expense		200	173
Depreciation of property, plant and equipment		1,053	887
Depreciation of investment property		12	13
Amortisation of other intangible assets		69	119
Gain on disposal of property, plant and equipment		(4,624)	(39)
Gain on disposal of available-for-sale financial assets		-	(132)
Share of loss from equity-accounted associate		1	-
Share of loss from equity-accounted joint venture		1	1
<b>Operating cash flows before changes in working capital</b>		<b>2,735</b>	<b>2,574</b>
Inventories		677	52
Trade and other receivables		762	(211)
Other assets		(1,582)	136
Finance lease receivables		1,066	602
Trade and other payables		(895)	457
<b>Net cash flows from operations before tax</b>		<b>2,763</b>	<b>3,610</b>
Income taxes paid		(328)	(163)
<b>Net cash flows from operating activities</b>		<b>2,435</b>	<b>3,447</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		6,478	101
Proceeds from disposal of available-for-sale financial assets		500	1,857
Purchase of plant and equipment		(585)	(1,520)
Purchase of available-for-sale financial assets		(1,298)	(2,496)
Other receivables		(9,793)	-
Interest received		142	206
<b>Net cash flows used in investing activities</b>		<b>(4,556)</b>	<b>(1,852)</b>
<b>Cash flows from financing activities</b>			
Decrease in borrowings		(984)	(919)
Finance lease repayments		(1,799)	(908)
Interest paid		(200)	(173)
<b>Net cash flows used in financing activities</b>		<b>(2,983)</b>	<b>(2,000)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(5,104)</b>	<b>(405)</b>
Cash and cash equivalents, statement of cash flows, beginning balance		11,154	9,133
Effect of exchange rate changes on cash and cash equivalents		(196)	124
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	2	<b>5,854</b>	<b>8,852</b>
<b>Note 2</b>			
<b>Represented by:</b>			
Balance as per cash and cash equivalents in the statement of financial position		5,866	8,864
Restricted cash		(12)	(12)
<b>Cash and cash equivalents for statement of cash flows purposes</b>		<b>5,854</b>	<b>8,852</b>

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

	Group		Company	
	31 Aug 2015 S\$'000	31 Aug 2014 S\$'000	31 Aug 2015 S\$'000	31 Aug 2014 S\$'000
<b>Share capital</b>				
<b>Balance at beginning and end of the period</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 period	(1,058)	(1,006)	4	19
Total comprehensive (loss) / income for the period	(870)	212	(23)	(10)
<b>Balance at end of the period</b>	<b>(1,928)</b>	<b>(794)</b>	<b>(19)</b>	<b>9</b>
<b>Retained earnings / (accumulated losses)</b>				
Balance at beginning of the period	513	(1,800)	(5,440)	(6,356)
Total comprehensive income for the period	5,770	1,437	4,437	236
<b>Balance at end of the period</b>	<b>6,283</b>	<b>(363)</b>	<b>(1,003)</b>	<b>(6,120)</b>
<b>Equity attributable to owners of the parent</b>	<b>35,563</b>	<b>30,051</b>	<b>30,186</b>	<b>25,097</b>
<b>Non-controlling interests</b>				
Balance at beginning of the period	2,894	2,840	-	-
Total comprehensive income for the period	173	192	-	-
<b>Balance at end of the period</b>	<b>3,067</b>	<b>3,032</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>38,630</b>	<b>33,083</b>	<b>30,186</b>	<b>25,097</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period 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, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Group and Company	
	31 Aug 2015 No. of shares '000	31 Aug 2014 No. of shares '000
<b>Ordinary shares of no par value</b>		
Balance at beginning and end of the period	251,044	251,044

There are no outstanding convertibles or treasury shares as at 31 August 2015 and 31 August 2014.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.  
251,043,579 ordinary shares are issued as at 31 August 2015 (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 period reported on.  
The Company does not have any treasury shares.

- 2 **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**  
The figures have not been audited or reviewed by the auditors of the Company.
- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**  
Not applicable.
- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**  
The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period compared 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 period beginning 1 March 2015. The adoption of these FRS and INT FRS has no significant impact on the financial statements.
- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**  
Not applicable.
- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

	Group	
	31 Aug 2015 Cents	31 Aug 2014 Cents
Earnings per ordinary share for the period based on profit attributable to owners of the parent, net of tax		
a) Based on weighted average number of ordinary shares of 251,043,579 (1HY2015: 251,043,579)	2.30	0.57
b) On a fully diluted basis	2.30	0.57

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group		Company	
	31 Aug 2015 Cents	28 Feb 2015 Cents	31 Aug 2015 Cents	28 Feb 2015 Cents
* Net asset value per ordinary share based on issued shares as at the end of the financial period / year	15.39	13.37	12.02	10.27

\* Total equity including non-controlling interests.

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

**a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Statement of comprehensive income**

#### Revenue by segments

Group revenue in 1HY2016 increased by \$5.7 million or 31% as compared to prior period. In 1HY2016, the Leather, Accessories and Automotive segments accounted for 32%, 17% and 51% of the Group's revenue respectively, as compared to 37%, 21% and 42% respectively in prior period.

#### Leather segment

Revenue from the Leather segment increased by \$0.9 million or 13% from \$6.8 million in 1HY2015 to \$7.7 million in 1HY2016. This is mainly due to an increase in revenue from the trading of automotive spare parts.

#### Accessories segment

Revenue from the Accessories segment in 1HY2016 (\$4.3 million) remained consistent as compared to 1HY2015 (\$4.0 million).

#### Automotive segment

Revenue from the Automotive segment increased by \$4.6 million or 59% from \$7.8 million in 1HY2015 to \$12.4 million in 1HY2016. This is mainly due to a higher proportion of relatively new vehicles sold in 1HY2016. These vehicles generally commanded a higher selling price and hence resulted in the increase in revenue.

Gross profit margin decreased by 6% from 30% in 1HY2015 to 24% in 1HY2016. This is mainly due to:

- (i) Higher raw material costs from the Leather segment; and
- (ii) Higher proportion of relatively new vehicles sold in the Automotive segment in 1HY2016. These vehicles were generally of a lower gross profit margin.

The increase in interest income by \$56,000 or 27% as compared to prior period is mainly due to interest income from interest-bearing loan extended to an external party in Q2FY2016.

Other gains in 1HY2016 mainly relate to foreign exchange adjustment gains (\$0.3 million), gain on disposal of property, plant and equipment (\$4.6 million) and government grant income (\$37,000). Other gains in 1HY2015 mainly relate to gain on disposal of available-for-sale financial assets (\$0.1 million), government grant income (\$23,000) and gain on disposal of plant and equipment (\$39,000).

The increase in marketing and distribution costs by \$45,000 or 19% is mainly due to an increase in travelling expenses in 1HY2016.

The increase in administrative expenses by \$0.4 million or 11% is mainly due to an increase in staff remuneration expenses in 1HY2016.

The increase in finance costs by \$27,000 or 16% is mainly due to an increase in finance lease liabilities in 1HY2016 as compared to prior period.

Other expenses in 1HY2015 comprise mainly of foreign exchange adjustment losses (\$38,000).

The increase in income tax expense by \$0.2 million is mainly due to a \$0.2 million tax expense incurred by the Accessories segment as the tax credits arising from prior years' tax losses had been fully utilised.

The increase in depreciation and amortisation expenses by \$0.1 million or 11% is mainly due to depreciation of additions to property, plant and equipment subsequent to 1HY2015.



## **Statements of financial position**

### **Group**

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

The \$9.0 million increase in trade and other receivables (current and non-current) is mainly due to a \$10.0 million loan extended to an external party in Q2FY2016.

The \$2.8 million increase in finance lease receivables (current and non-current) is mainly due to new financing loans for motor vehicles granted in 1HY2016.

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

The \$1.5 million increase in other assets is mainly due to an increase in deposits placed with suppliers for the purchase of vehicles (\$1.8 million). This is partially offset by a decrease in prepaid insurance premiums amounting to \$0.2 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 Q1FY2016.

The \$2.8 million increase in other financial liabilities (current and non-current) is mainly due to an increase in motor vehicle related finance leases (\$3.4 million). This is partially offset by a decrease in trust receipts payable to a bank in relation to the trading of automotive spare parts (\$0.6 million).

The \$1.0 million decrease in trade and other payables is mainly due to a decrease in purchases made near the end of 1HY2016 as compared to FY2015.

### **Company**

The \$51,000 decrease in property, plant and equipment is mainly due to depreciation in 1HY2016.

The \$9.4 million increase in trade and other receivables (current and non-current) is mainly due to a \$10.0 million loan extended to an external party in Q2FY2016.

The \$0.8 million increase in available-for-sale financial assets (current and non-current) is mainly due to the subscription of fixed-rated 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 Q1FY2016.

The \$0.6 million increase in trade and other payables is mainly due to management fees received in advance in 1HY2016.

The \$0.6 million decrease in other financial liabilities (current) is mainly due to a 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 \$5.1 million in 1HY2016 mainly as a result of the purchase of plant and equipment (\$0.6 million) and available-for-sale financial assets (\$1.3 million), the extension of interest-bearing loans (\$9.8 million) and the repayment of financial liabilities (\$2.8 million).

This is partially offset by net cash flows from operating activities (\$2.4 million), the sale proceeds from disposal of property, plant and equipment (\$6.5 million) and available-for-sale financial assets (\$0.5 million).

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

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

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

Moving forward, the Group continues to face pressures from rising material and labour costs. In addition, the global economic slowdown and currency volatility have resulted in a more challenging operating environment for the Group.

Despite the uncertain and challenging business outlook, 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) Corresponding period of the immediately preceding financial year.**

	Group and Company	
	1HY2016 Cents	1HY2015 Cents
<b>Type of dividend</b>		
Interim	Nil	Nil
Final	Nil	Nil
Tax rate	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 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.**

No dividend has been declared or recommended for the financial period ended 31 August 2015.

**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 interim financial results for the period ended 31 August 2015 to be false or misleading, in any material aspect.

**15 Disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.**

Not applicable.

#### **ON BEHALF OF THE BOARD**

YAP KIAN PENG  
EXECUTIVE DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
9 OCTOBER 2015