

JACKSPEED CORPORATION LIMITED

FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Income Statement

	28 February 2007 S\$ '000	Group 28 February 2006 S\$ '000	Increase / (decrease)
Revenue	43,788	31,804	38%
Financial Income	826	295	180%
Financial Expense	(163)	(113)	44%
Changes in inventories	7,473	(1,143)	-754%
Raw materials purchases and sub-contractors charges	(30,863)	(15,226)	103%
Employee benefits expense	(11,026)	(7,766)	42%
Depreciation and amortisation	(1,545)	(1,024)	51%
Other expenses	(4,637)	(3,273)	42%
Other credits / (charges)	70	(27)	-359
Share of loss in associate	(106)	-	na
Profit before tax	3,817	3,527	8%
Income tax expense	(947)	(915)	3%
Profit for the year	2,870	2,612	10%
Attributable to			
Minority interest	(71)	-	na
Equity holders of the company	2,941	2,612	13%
Profit for the period	2,870	2,612	10%

1(a)(ii) Notes to Income Statement

	28 February 2007 S\$ '000	28 February 2006 S\$ '000
Other Credits / (Charges)		
Net gain on disposal of FA	81	20
Inventories written-down	(11)	(47)
Total Other Credits / (Charges)	70	(27)
Financial Income		
Foreign exchange transaction gain	558	162
Interest income	268	133
Total Financial Income	826	295
Financial Expense		
Interest expense to non-related companies	163	113

1(b)(i) Balance Sheet

	Group		Company	
	28 February 2007 S\$ '000	28 February 2006 S\$ '000	28 February 2007 S\$ '000	28 February 2006 S\$ '000
ASSETS				
Current assets:				
Cash and cash equivalents	11,232	7,551	5,386	5,208
Trade and other receivables	8,572	5,682	6,565	6,024
Inventories	6,713	5,195	1,375	1,665
Total current assets	26,517	18,428	13,326	12,897
Non-current assets:				
Investment in subsidiaries	-	-	7,229	2,952
Investment in associates	799	-	338	-
Property, plant and equipment	7,728	7,709	2,797	2,789
Asset held for sale	1,311	-	-	-
Goodwill and other intangibles	6,049	151	-	-
Total non-current assets	15,887	7,860	10,364	5,741
Total assets	42,404	26,288	23,690	18,638
Current liabilities:				
Short-term borrowings	87	161	-	161
Trade and other payables	9,987	4,159	1,066	2,774
Current tax payable	98	688	-	573
Current portion of long-term borrowings	129	309	-	309
Current portion of finance leases	107	143	38	47
Total current liabilities	10,408	5,460	1,104	3,864
Non-current liabilities:				
Deferred tax liabilities	520	162	25	25
Long-term borrowings	821	-	-	-
Finance lease	180	107	97	86
Total non-current liabilities	1,521	269	122	111
Total liabilities	11,929	5,729	1,226	3,975
Equity attributable to equity holders of the parent :				
Share capital	21,832	14,483	21,832	14,483
Reserves	168	(3)	-	-
Retained earnings	7,618	6,079	632	180
Total equity	29,618	20,559	22,464	14,663
Minority interest	857	-	-	-
Total equity and minority interest	30,475	20,559	22,464	14,663
Total liabilities and equity	42,404	26,288	23,690	18,638

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

Amount repayable in one year or less, or on demand

As at 28 February 2007		As at 28 February 2006	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
323	-	304	309

Amount repayable after one year

As at 28 February 2007		As at 28 February 2006	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,001	-	107	-

Details of any collateral

The bank loan and credit facilities of a subsidiary are secured by a legal charge on the subsidiary's leasehold property, a fixed and floating charge over the present and future assets of the subsidiary as well as joint and several guarantees by certain directors of the subsidiary.

Certain of the credit facilities of the group are secured by corporate guarantee and negative pledges on the company's present and future assets.

The obligations under finance leases are secured by the lessor's charge over the leased assets.

1(c) Cash Flow Statement

	Group	
	28 February 2007 S\$ '000	28 February 2006 S\$ '000
Cash flow from operating activities		
Profit for the year	2,870	2,612
Adjustment for :		
Income tax expense	947	915
Amortisation of intangible	300	-
Depreciation	1,245	1,024
Gain on disposal of plant and equipment	(81)	(20)
Interest income	(268)	(133)
Interest expense	163	113
Losses from associates	106	-
Operating profit before working capital charges	5,282	4,511
Restricted cash	-	9
Trade and other receivables	763	(1,981)
Inventories	(604)	178
Trade and other payables	(2,012)	1,166
Cash generated from operations	3,429	3,883
Income tax paid	(1,984)	(863)
Net cash from operating activities	1,445	3,020
Cash flow from investing activities:		
Proceeds from disposal of property, plant & equipment	260	192
Purchase of property, plant & equipment	(721)	(419)
Interest received	268	133
Acquisition of subsidiary net of cash acquired	(2,260)	-
Investment in associate	(873)	-
Net cash used in investing activities	(3,326)	(94)
Cash flows from financing activities:		
Interest paid	(163)	(113)
Decrease in borrowings	(951)	(2,347)
Dividends paid	(1,402)	(943)
Minority interest contribution to capital	921	-
Proceeds from share placement, net of expenses	7,349	-
Decrease in finance leases	(424)	(391)
Net Cash from / (used in) financing activities	5,330	(3,794)
Exchange rate changes in consolidating foreign subsidiaries	196	4
Net increase / (decrease) in cash and cash equivalents	3,645	(864)
Cash and cash equivalent at beginning year	7,551	8,415
Cash and cash equivalent at end of year	11,196	7,551

	Group	
	28 February 2007 S\$ '000	28 February 2006 S\$ '000
The above is represented by:		
Cash and cash equivalents	11,232	7,551
Bank overdraft	(36)	-
	<u>11,196</u>	<u>7,551</u>

The group acquired 100% of Jackson Vehicle Holdings Pte Ltd and subsidiaries with effect from 1 March 2006. The transaction was accounted for by the purchase method of accounting. The net assets acquired are as follows:-

Non-cash transactions – Additions to property, plant and equipment amounting to \$330,000 (2005:S\$ 17,000) were financed by new finance leases.

	28 February 2007 S\$ '000
Cash	740
Trade and other receivable	3,653
Inventories	913
Property, plant and equipment	1,754
Goodwill and other intangibles	6,198
Trade and other payables	(2,711)
Current tax payable	(265)
Deferred tax liability	(540)
Finance lease	(131)
Short term borrowings	(437)
Long term borrowings	<u>(1,045)</u>
Consideration	8,129
Less consideration to be paid by shares	<u>(5,129)</u>
Cash consideration	3,000
Less cash taken over	<u>(740)</u>
Net cash outflow on acquisition	<u>2,260</u>

The contributions from subsidiaries for the period between the date of acquisition and 28 February 2007 (before inter-company eliminations) were as follows: -

	S\$ '000
Revenue	16,974
Net before tax	<u>1,976</u>

1(d)(i) A statement 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

Group	Attributable to equity holder of parent					Minority Interest	Total
	Share Capital	Retained Earnings	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 28 February 2005	14,496	4,197	316	(441)	18,568	-	18,568
FRS 103 adjustments	-	213	-	-	213	-	213
Balance at 1 March 2005 – restated	14,496	4,410	316	(441)	18,781	-	18,781
IPO expenses	(13)	-	-	-	(13)	-	(13)
Exchange differences on translating foreign subsidiaries	-	-	-	122	122	-	122
Profit for the year	-	2,612	-	-	2,612	-	2,612
Dividends paid	-	(943)	-	-	(943)	-	(943)
Balance at 28 February 2006	14,483	6,079	316	(319)	20,559	-	20,559
Balance at 28 February 2006/ Balance at 1 March 2006 – as stated	14,483	6,079	316	(319)	20,559	-	20,559
Placement proceeds	7,860	-	-	-	7,860	-	7,860
Placement expenses	(511)	-	-	-	(511)	-	(511)
Exchange differences on translating foreign subsidiaries	-	-	-	171	171	7	178
Minority interest contribution to capital	-	-	-	-	-	921	921
Profit for the year	-	2,941	-	-	2,941	(71)	2,870
Dividends paid	-	(1,402)	-	-	(1,402)	-	(1,402)
Balance at 28 February 2007	21,832	7,618	316	(148)	29,618	857	30,475

Company	(a)		(b)
	Share Capital	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 28 February 2005/ Balance at 1 March 2005 – as stated	14,496	1,030	15,526
IPO expenses	(13)	-	(13)
Profit for the year	-	93	93
Dividend paid	-	(943)	(943)
Balance at 28 February 2006	14,483	180	14,663
Balance at 28 February 2006/ Balance at 1 March 2006 – as stated	14,483	180	14,663
Placement proceeds	7,860	-	7,860
Placement expenses	(511)	-	(511)
Profit for the year	-	1,854	1,854
Dividend paid	-	(1,402)	(1,402)
Balance at 28 February 2007	21,832	632	22,464

(a)

(a) With the changes to the Companies Act, Cap 50, effective from 30 January 2006, there is the removal of the concept of par value and authorised capital and there is no share premium account. The company had a share premium account balance of \$6,623,000 at the end of 31 August 2005. This amount was included in share capital as required by the changes to the Companies Act.

(b) Unrealised and not available for distribution as cash dividends

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 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

Pursuant to the Shareholders' approval granted at the Extraordinary General Meeting on 26 June 2006, the Company has allotted and issued an aggregate of 43,666,667 new ordinary shares in the capital of the Company to AAPICO Investment Pte Ltd and Mr Ang Kian Lee at an issue price of S\$0.18 per share.

The issued share capital of the Company has increased from \$14,483,183.37 comprising 131,000,000 ordinary shares in the capital of the Company to \$22,343,183.43 (before placement expenses) comprising 174,666,667 ordinary shares.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The above financial statements have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 financial information included in this report has been prepared using the same accounting policies except as disclosed in para 5 below.

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

The Group has adopted all the new Singapore Financial Reporting Standard ("FRS") that are mandatory for financial years beginning on or after 1 March 2006.

There is no significant impact on the current year profits and earnings per share on adoption of the new FRS.

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

	28 Feb 07	28 Feb 06
(i) Based on number of ordinary share in issue	2.02 cents	1.99 cents
(ii) On a fully diluted basis	2.02 cents	1.99 cents
(iii) Based on enlarged number of shares	1.38 cents	1.99 cents

Note:-

Basic earnings per share is calculated based on weighted average number of shares of 145,555,556 (28 February 2006: 131,000,000)

Had the remaining purchase consideration to be paid by shares for the acquisition of the JVH group and the corresponding increase to Aapico Investment Pte Ltd and Mr Ang Kian Lee been issued, the number of shares would have been 212,660,647. This enlarged capital is used for calculation of (iii) above.

7. Net asset value (for the issuer or group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

Group	28 Feb 07	28 Feb 06
Net asset value per ordinary share based on number of shares in issue at the end of the year	16.96 cents	15.69 cents

Company	28 Feb 07	28 Feb 06
Net asset value per ordinary share based on number of shares in issue at end of year	12.86 cents	11.19 cents

Note:-

Net asset value is calculated based on 174,666,667 number of shares at end of year (28 February 2006: 131,000,000)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income Statement

Group revenue for the year ended 28 Feb 2007 ("FY2007") rose S\$ 11.98 million or 37.7% to S\$ 43.79 million from S\$ 31.80 million last year, driven by increased contributions from its newly acquired subsidiary, Jackson Vehicle Holdings Pte Ltd (JVH).

On a segmental basis, sales from leather trim and accessories accounted for 59% and 39% of the group's revenue respectively while the non-automobile segment contributed the remaining of 2%.

The leather trim distributor market remained the Group's largest revenue contributor posting S\$ 16.80 million in sales revenue for FY2007 – a marginal decline of 3.2% from S\$ 17.35 million recorded in FY2006.

The decrease was due to lower sales to Singapore distributor as certain car models were at the end of their product life cycles.

Following the successful completion of supply contracts to clients in FY2006, contributions from the Group's leather OEM market declined to S\$ 5.37 million for FY2007 from S\$ 11.37 million in FY2006.

The decline was attributed to the discontinued supply contract in June 2006 to a main customer in Thailand with whom we have been contracted for leather trim assembly since 2002.

The Group's announcement relating to the profit guidance statement released on 1 March 2007 to Singapore Exchange Securities Trading Limited ("SGX-ST") stated unforeseen developments in the Group's leather trim business, affected the Group's revenue and profit contributions for the second half of FY 2007.

The Group secured a contract for assembly jobs in July 2006 from a tier-1 supplier of vehicle seats to international brands such as Ford and General Motors in Thailand, and will help mitigate the decline in revenue. This contract also included options to subcontract the supplier's cut-and-sew programme to Jackspeed which would further boost the Group's sales revenue.

While the supply contract took effect in September 2006, orders during the period under consideration were less than the contracted amount. The option for sub-contracting the cut-and-sew programme to the Group was also put on hold. This resulted in under utilisation of capacity and affected profitability.

Following record car sales during 2004 and 2005, vehicle ownership penetration in Malaysia is currently amongst the highest in the world. This has resulted in saturation within the automotive market of the country and contributed to reduction in new vehicles sales for 2006. In light of the reduced consumption of new vehicles in Malaysia, production rates among car manufacturers also fell in 2006 leading to a decline in the Group's revenue from its Malaysian business from S\$ 7.10 million in FY2006 to S\$ 5.10 million in FY2007.

The Group is currently exploring additional co-operation opportunities with other major automotive manufacturers and intends to expand its share of the OEM market.

Contributions from its after-market and non-automotive sales segment grew significantly by S\$ 1.24 million or 40.3% to S\$ 4.32 million in FY2007 from S\$ 3.08 million a year earlier, underlined by increased revenue from the retail and after market segment in Singapore as well as growth from the Group's aviation division following the gradual emergence of Singapore as a regional aviation Maintenance, Repair and Overhaul centre ("MRO").

The accessories market segment which was acquired through the acquisition of JVH in February 2006 contributed significantly to the Group's revenue adding approximately S\$ 16.97 million to Jackspeed's total revenue. Contribution from this segment was driven by significant increases in sales of vehicle accessories in Thailand and Europe and was driven by the continued trend for vehicle customisation and accessorising in these two markets.

Profitability

Profits for the year increased 9.9% to S\$ 2.87 million in FY2007 from S\$ 2.61 million riding on additional contributions from the Group's new automobile accessories segment contributing S\$1.54 million to net profits.

Net profit margin declined from 8.2% in FY06 to 6.6% in FY07 was due to inefficiency in the capacity utilization, amortisation of intangibles and loss in associates amounting to an aggregate of S\$ 0.41 million.

Balance Sheet and Cash Flow

Cash and cash equivalent balance stood at S\$11.23 million following the placement of shares in July 2006 which raised S\$7.35 million.

Net cash used in investing activities totaled S\$ 3.33 million in FY2007 following the acquisition of new subsidiaries, investments in associated companies and property, plant and equipment.

Total borrowings as at 28 February 2007 stood at S\$ 1.33 million and consisted of:-

- short term borrowings of S\$ 0.09 million
- hire purchase / finance lease of S\$ 0.29 million for acquisition of motor vehicles and machinery
- term loan of about S\$ 0.95 million for the purchase of the leasehold properties by the newly acquired subsidiary

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

With reference to the preceding Paragraph 8, the profit guidance announcement stated that " the Group was unlikely to surpass its FY 2006 performance as earlier indicated."

The Group has however, performed better mainly due to the following reasons :-

- recognition of deferred tax assets and reversal of over provision for taxation of S\$ 0.14 million ;
- capitalization of certain expenses of S\$ 0.05 million ;
- JVH group exceeding profit guarantee by S\$ 0.04 million

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 reporting period and the next 12 months

Market conditions in FY2008 for our leather seats business segment will continue to be challenging with rising leather prices resulting in reduced margins. To offset this price hike, we have initiated discussions with our customers to increase our selling prices and are also actively seeking alternative leather-based material for the manufacture of leather seats with a view to reducing our raw material expenses.

Europe is the largest automotive production region in the world and remains a core market for the Group's distribution business. Having established a significant presence in Europe through our Belgium sales office, we intend in FY2008 to adopt a cautious approach towards expansion into this geographical market by consolidating our foothold in the European car accessories market. Southeast Asia continues to be one of the main drivers of the rapidly expanding Asian automotive industry with Thailand leading the region as its largest automotive manufacturer. Building on our strategic alliance with AAPICO Hitech Public Company Limited ("AAPICO"), one of Thailand's biggest car part suppliers, the Group has established a foothold in the country. AAPICO Jackspeed, a joint-venture company formed from the alliance, has begun production in 1st quarter FY2008 and attained the status of a "second-tier supplier" for Ford Thailand. The Group will endeavour to secure a bigger slice of the increasingly competitive Thai automotive market in FY2008.

The distribution of leather cladding remains our core business, and the Group is stepping up its marketing efforts to enhance our customer base.

The robust growth of the Group's aviation business which posted a 133% gain in FY2007 was driven by Singapore's establishment as a regional hub for Aviation Maintenance Repair and Overhaul ("MRO"). The Group has been and will continue to lay the foundations for the Group's future expansion in the regional aviation sector. In this connection, the Group is studying, subject to approvals by the relevant authorities, the setting up of a SAR repair station in FY2008 which will allow the Group to provide specialised services to commercial air carriers. This presents the Group with potential for further business expansion and will widen our earnings base

Barring unforeseen circumstances, the Directors expect the Group to remain profitable for FY2008.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final Proposed
Dividend Type	Cash
Dividend amount per share (in cents)	0.7 cent per ordinary share
Par value of shares	NA
Tax Rate	Tax Exempt

Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per share (in cents)	0.3 cent per ordinary share
Par value of shares	NA
Tax Rate	One-Tier Tax Exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final Proposed
Dividend Type	Cash
Dividend amount per share (in cents)	0.55 cent per ordinary share
Par value of shares	NA
Tax Rate	Tax Exempt

Name of Dividend	Special
Dividend Type	Cash
Dividend amount per share (in cents)	0.15 cent per ordinary share (less tax)
Par value of shares	NA
Tax Rate	20%

Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per share (in cents)	0.3 cent per ordinary share (less tax)
Par value of shares	NA
Tax Rate	20%

(c) Date payable

To be advised

(d) Books closure date

To be advised

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable

13. 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

(A) By Product

(Expressed in S\$'000)	Distributor		OEM		R & A		Non Auto		Grand Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenue - external	21,660	17,353	17,173	11,370	3,877	2,636	1,078	445	43,788	31,804
Segment results	2,561	2,564	(56)	528	500	280	185	-	3,190	3,372
Other Credits / (Charges)									70	(27)
Share of loss in associates									3,260	3,345
Financial Income									(106)	-
Financial Expense									826	295
Profit before tax									(163)	(113)
Income tax expense									3,817	3,527
Profit for the year									(947)	(915)
									2,870	2,612

(B) By Geographical

(Expressed in S\$'000)	Singapore		Europe		Malaysia		Thailand		Others		Grand total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenue - external	12,944	8,793	11,560	9,663	5,138	7,074	12,612	4,407	1,534	1,867	43,788	31,804
Segment results	2,096	1,808	928	1,142	250	247	(247)	79	163	96	3,190	3,372
Other Credits / (Charges)											70	(27)
Share of loss in associates											3,260	3,345
Financial Income											(106)	-
Financial Expense											826	295
Profit before tax											(163)	(113)
Income tax expense											3,817	3,527
Profit for the year											(947)	(915)
											2,870	2,612

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

Not applicable

15. A breakdown of sales

	Group		%
	S\$'000		
	Latest Full Year	Previous Full Year	Increase / (Decrease)
Sales reported for first half year	22,644	17,395	30 %
Profit before tax for first half year	2,343	1,852	27 %
Sales reported for second half year	21,144	14,409	47 %
Profit before tax for second half year	1,474	1,675	(12 %)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	1,402	943
Preference	-	-
Total:	1,402	943

BY ORDER OF THE BOARD