



Jackspeed Corporation Limited

Press Release – FY2006 Results

SGX-LISTED CAR LEATHER AND ACCESSORIES MANUFACTURER JACKSPEED MAINTAINS STEADY EARNINGS GROWTH; REPORTS RISE IN NET MARGIN

- FY2006 net profit growth steady at 6% to SGD 2.61 million; net margin rises to 8.21% from 7.52% a year earlier
- OEM market rides on regional automotive boom to post strong growth
- Proposes final and special dividends of 0.55 and 0.15 SGD cents per share respectively representing a dividend yield of 4.33% on previous day close

SGD ('000)	FY2006	FY2005	%Change
Revenue	31,797	32,815	(3)
Net Profit after tax	2,612	2,467	6
Net Profit Margin (%)	8.21	7.52	9
EPS (SGD cts)	1.99	1.88	6
Net Asset Value (SGD cts)	15.69	14.17	11

Singapore – 26 April 2006 – Singapore Exchange Mainboard-listed Jackspeed Corporation Limited (“Jackspeed” or the “Group”), announced today that its net profit attributable to shareholders rose 6% to SGD 2.61 million for the financial year ended 28 February 2006 (“FY2006”), as the Group’s OEM sales soared 35% to SGD 11.37 million in FY2006 from SGD 8.42 million in FY2005.

The specialised manufacturer of high-quality leather trim and cladding for automotive interiors achieved the net profit growth against a 3% decline in revenue to SGD 31.80 million in FY2006 from SGD 32.82 million in FY2005 growth in the OEM and retail-after sales markets of 35% and 7% respectively.

With the implementation of stricter cost control measures, net profit margin increased to 8.21% for FY2006 from 7.52% a year earlier.

Jackspeed's core business is divided among three core segments, namely distributor market, OEM and retail, after-market and non-automotive sales which account for 55%, 36% and 9% of total revenue, respectively.

Revenue from the distributor market segment decreased SGD 4.17 million or 19% to SGD 17.35 million from SGD 21.53 million in FY2005 due to the delayed release of new car models in the last quarter of FY2006 and the end of production life-cycles for several key car models.

OEM market revenue posted the strongest gain of 35% or SGD 2.95 million to SGD 11.37 million in FY2006 from SGD 8.42 million in FY2005. The significant increase was due to the growth of the Malaysian and Thai automotive industries, two emerging auto hubs in Asia.

Jackspeed announced in February 2006 the acquisition of Jackson Vehicle Holdings ("JVH"), a manufacturer of car accessories with production facilities in Singapore and Thailand, which has been named the "Detroit of Asia". Through the acquisition, Jackspeed will springboard its penetration into Thailand, which produced a record 1.15 million vehicles in 2005.

Retail and after-market revenue increased marginally by 7% to SGD 2.64 million in FY2006 from SGD 2.47 million in FY2005, due to stronger demand from our dealers in Malaysia. While strong demand from the aviation and marine sector, led to a 12% increase in revenue from the non-automotive segment increasing contribution to SGD 0.44 million in FY2006.

For the year under review, the Group's cash balances remained healthy at SGD 7.48 million, decreasing by SGD 0.94 million due to repayments of bank borrowings, finance lease and dividends totaling SGD 3.81 million.

Global expansion will form the key growth impetus for the Group moving forward. The OEM markets in Malaysia and Thailand will continue to be buoyant due to increasing demand as a result of economic growth in the respective regions. Europe, which recorded a 31% decline in revenue in FY2006, is expected to turnaround and post stronger demand for Jackspeed's products following the introduction of new car models in the last quarter of FY2006. To further consolidate its foothold in the European market, Jackspeed announced in Jan 2006 the incorporation of a wholly-owned subsidiary, Jackspeed Europe NV, in Belgium. The subsidiary will benefit from the physical proximity to clients and improve service standards by cutting lead-time. The new subsidiary will also complement existing sales efforts to generate additional sales.

"Jackspeed's future growth is contingent upon our ability to seize the opportunities which present themselves. The Thai automotive industry which has a five-year compounded growth rate of 23% is one such opportunity. To capitalise on this, we have entered into a strategic collaboration with Thai leading auto-parts manufacturer AAPICO Hitech. Through our alliance, which will see AAPICO emerge as our second largest shareholder, we will make a quantum leap in our expansion initiatives and secure a strong partner to aid us in our expansion into other key automotive markets," said Jackspeed's Chairman Mr Jackson Liew.

In view of the Group's performance in FY2006, the board of directors has proposed final and special dividends of 0.55 and 0.15 SGD cents per share respectively, bringing total net dividends paid for the year to 0.91 SGD cents and represents a net dividend yield of 4.33% based on the closing price of \$0.21 on 25 April 2006 or 46% of FY2006 net profits.

"The dividend payout represents our aim to strike a balance between future growth objectives and shareholder wants. Moving ahead, we aim to maintain the current trend of paying dividends, and will increase the payouts when the situation permits," added Mr Liew.

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Issued on behalf of Jackspeed Corporation Limited by WeR1 Consultants Pte Ltd

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About Jackspeed Corporation Limited

Singapore Exchange Mainboard-listed **Jackspeed Corporation Limited** ("JCL") is a specialised manufacturer of high-quality leather trim and cladding for automotive interiors. The company also serves both private and commercial non-automotive markets in the aviation and marine sectors. Accredited by various international quality standards, including the coveted "Singapore Promising Brands Award", JCL has proven to be a key regional player in this industry, and counts Ford Asia Pacific, General Motors Singapore, Naza Automotive Manufacturing Malaysia, and ST Aerospace Engineering amongst its clients. The company's production facilities are located in Singapore, Malaysia, Thailand and Indonesia.

Its acquisition of Jackson Vehicle Holdings provides a solid foundation for future expansions and further consolidates its position as a market leader for automobile accessories.