

**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**

	Group		Increase / (decrease)
	28 February 2006 S\$ '000	28 February 2005 S\$ '000	
<b>Revenue</b>	31,797	32,815	(3%)
Financial Income	320	187	71%
Financial Expense	(130)	(208)	(38%)
Changes in inventories	(795)	(410)	94%
Raw materials purchases and sub contractors charges	(15,604)	(16,672)	(6%)
Employee benefits expense	(7,768)	(7,368)	5%
Depreciation	(1,024)	(1,168)	(12%)
Other expenses	(3,285)	(3,773)	(13%)
Other credits	16	92	(83%)
<b>Profit before tax</b>	<b>3,527</b>	<b>3,495</b>	<b>1%</b>
Income tax expense	(915)	(1,015)	(10%)
<b>Profit for the year</b>	<b>2,612</b>	<b>2,480</b>	<b>5%</b>
Attributable to			
Minority interest	-	13	na
Equity holders of the company	2,612	2,467	6%
	<b>2,612</b>	<b>2,480</b>	<b>5%</b>

**1(a)(ii) Notes to Income Statement**

	Group	
	28 February 2006 \$'000	28 February 2005 \$'000
<b>Employee benefits expense</b>		
Employee benefits expense including Directors	6,918	6,583
Contributions to defined contribution plan	373	380
Other benefits	477	405
<b>Total employee benefits expense</b>	<b>7,768</b>	<b>7,368</b>
<b>Other Credits</b>		
Net gain on disposal of plant and equipment	16	36
Negative goodwill released to income statement	-	6
Others	-	50
<b>Total Other Credits</b>	<b>16</b>	<b>92</b>
<b>Financial Expense</b>		
Interest expense to non-related companies	<b>130</b>	<b>208</b>

1(b)(i) Balance Sheet

	Group		Company	
	28 February 2006 \$'000	28 February 2005 \$'000	28 February 2006 \$'000	28 February 2005 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	7,481	8,424	5,208	6,351
Trade and other receivables	5,262	3,701	6,024	5,597
Inventories	5,195	5,373	1,665	1,778
<b>Total current assets</b>	<b>17,938</b>	<b>17,498</b>	<b>12,897</b>	<b>13,726</b>
<b>Non-current assets:</b>				
Investment in subsidiaries	-	-	2,952	2,962
Property, plant and equipment	7,709	8,364	2,789	2,789
Goodwill	151	(62)	-	-
<b>Total non-current assets</b>	<b>7,860</b>	<b>8,302</b>	<b>5,741</b>	<b>5,751</b>
<b>Total assets</b>	<b>25,798</b>	<b>25,800</b>	<b>18,638</b>	<b>19,477</b>
<b>Current liabilities:</b>				
Short-term borrowings	161	1,312	161	507
Trade payables and other payables	3,920	2,993	2,774	1,252
Current tax payable	441	634	576	535
Current portion of long-term borrowings	306	1,196	306	1,196
Current portion of finance leases	143	321	47	30
<b>Total current liabilities</b>	<b>4,971</b>	<b>6,456</b>	<b>3,864</b>	<b>3,520</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	163	164	25	25
Long-term borrowings	-	309	-	309
Finance leases	106	303	86	97
<b>Total non-current liabilities</b>	<b>269</b>	<b>776</b>	<b>111</b>	<b>431</b>
<b>Total liabilities</b>	<b>5,240</b>	<b>7,232</b>	<b>3,975</b>	<b>3,951</b>
<b>Equity attributable to equity holders of the parent :</b>				
Share capital	14,483	7,860	14,483	7,860
Reserves	(4)	6,511	-	6,636
Retained earnings	6,079	4,197	180	1,030
<b>Total equity</b>	<b>20,558</b>	<b>18,568</b>	<b>14,663</b>	<b>15,526</b>
<b>Total liabilities and equity</b>	<b>25,798</b>	<b>25,800</b>	<b>18,638</b>	<b>19,477</b>

**1(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 2006		As at 28 February 2005	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
304	306	1,633	1,196

**Amount repayable after one year**

As at 28 February 2006		As at 28 February 2005	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
106	-	303	309

**Details of any collateral**

The Singapore Dollar bank loan is unsecured. However, certain of the credit facilities of the group are secured by corporate guarantee and indemnity by a subsidiary, 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 and a guarantee and a personal guarantee by a director of a subsidiary.

## 1(c) Cash Flow Statement

	Group	
	28 February 2006	28 February 2005
	S'000	S'000
<b>Cash flows from operating activities:</b>		
Profit for the year	2,612	2,480
Adjustments for:		
Income tax expense	915	1,015
Depreciation	1,024	1,168
Gain from deemed disposal of subsidiary	-	(50)
Gain on disposal of plant and equipment	(16)	(36)
Interest income	(133)	(80)
Interest expense	130	208
Negative goodwill reversed to income statement	-	(6)
Operating profit before working capital changes	4,532	4,699
Restricted cash (a)	9	248
Trade and other receivables	(1,561)	940
Inventories	178	410
Trade and other payables	927	(909)
Cash generated from operations	4,085	5,388
Income tax paid	(1,109)	(706)
<b>Net cash from operating activities</b>	<b>2,976</b>	<b>4,682</b>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of property, plant and equipment	202	147
Purchase of property, plant and equipment	(436)	(2,131)
Interest received	133	80
<b>Net cash used in investing activities</b>	<b>(101)</b>	<b>(1,904)</b>
<b>Cash flows from financing activities:</b>		
Interest paid	(130)	(208)
(Decrease) in borrowings	(2,350)	(3,183)
Dividends paid	(943)	(1,231)
(Payment to) / contribution to minority interest	-	(40)
IPO expenses charged to reserves	(13)	-
Decrease in finance lease	(375)	(38)
<b>Net cash used in financing activities</b>	<b>(3,811)</b>	<b>(4,700)</b>
Exchange rate changes in consolidating foreign subsidiaries	2	(96)
<b>Net decrease in cash and cash equivalents</b>	<b>(934)</b>	<b>(2,018)</b>
Cash and cash equivalents at beginning of year	8,415	10,433
<b>Cash and cash equivalents at end of year</b>	<b>7,481</b>	<b>8,415</b>
Cash and cash equivalents		
Not restricted in use	7,481	8,415
Restricted (a)	-	9
<b>Cash and cash equivalents at end of year</b>	<b>7,481</b>	<b>8,424</b>

(a) This is for bank balances held by bankers as security for credit facilities granted to the company and group.

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	Issued	Share	Accumulated	Asset	Foreign	Total
	Capital	Premium	Profits	Revaluation Reserve*	Currency Translation Reserve*	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 29 February 2004</b>	7,860	6,625	2,961	-	(184)	17,262
IPO expenses	-	11	-	-	-	11
Surplus on revaluation of freehold land & building	-	-	-	316	-	316
Exchange differences on translating foreign subsidiaries	-	-	-	-	(257)	(257)
Net income/(expense) recognised directly in equity	-	-	-	316	(257)	59
Profit for the year	-	-	2,467	-	-	2,467
Total recognized income/(expense) for the year	-	-	2,467	316	(257)	2,526
Dividends paid	-	-	(1,231)	-	-	(1,231)
<b>Balance at 28 February 2005/ Balance at 1 March 2005 – as stated</b>	<b>7,860</b>	<b>6,636</b>	<b>4,197</b>	<b>316</b>	<b>(441)</b>	<b>18,568</b>
FRS 103 adjustments	-	-	213	-	-	213
Balance at 1 March 2005 – restated	7,860	6,636	4,410	316	(441)	18,781
IPO expenses	-	(13)	-	-	-	(13)
Exchange differences on translating foreign subsidiaries	-	-	-	-	121	121
Net income recognised directly in equity	-	-	-	-	121	121
Profit for the year	-	-	2,612	-	-	2,612
Total recognized income for the year	-	-	2,612	-	121	2,733
Dividends paid	-	-	(943)	-	-	(943)
Transfer to share capital (b)	6,623	(6,623)	-	-	-	-
<b>Balance at 28 February 2006</b>	<b>14,483</b>	<b>-</b>	<b>6,079</b>	<b>316</b>	<b>(320)</b>	<b>20,558</b>
				(a)	(a)	
Company	Issued	Share	Accumulated			
	Capital	Premium	Profits	Total		
	\$'000	\$'000	\$'000	\$'000		\$'000
<b>Balance at 29 February 2004</b>	7,860	6,625	375	14,860		
IPO expenses (b)	-	11	-	11		
Profit for the year	-	-	1,886	1,886		
Dividend paid	-	-	(1,231)	(1,231)		
<b>Balance at 28 February 2005/ Balance at 1 March 2005 – as stated</b>	<b>7,860</b>	<b>6,636</b>	<b>1,030</b>	<b>15,526</b>		
IPO expenses (b)	-	(13)	-	(13)		
Profit for the year	-	-	93	93		
Dividend paid	-	-	(943)	(943)		
Transfer to share capital (b)	6,623	(6,623)	-	-		
<b>Balance at 28 February 2006</b>	<b>14,483</b>	<b>-</b>	<b>180</b>	<b>14,663</b>		

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

(b) 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 the year. This amount will be included in share capital as required by the changes to the Companies Act.

**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**

There are no changes in the company's share capital structure since the previous period reported.

**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 have 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 January 2005. As a result of adopting FRS103, the Group adjusted the carrying value of the negative goodwill arising from the acquisition Jackspeed Malaysia of \$ 213,000 to opening retained earnings. Amortisation of the goodwill arising from the acquisition of Jackspeed Thailand is discontinued. The carrying value of \$151,000 is tested for impairment.

There is no significant impact on the current year profits and earnings per share with the above changes in accounting policy.

**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 06	28 Feb 05
(i) Based on number of ordinary share in issue	1.99 cents	1.88 cents
(ii) On a fully diluted basis	1.99 cents	1.88 cents

Note:-

Earnings per share is calculated based on number of shares of 131,000,000

**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 06	28 Feb 05
Net asset value per ordinary share based on number of shares in issue at end of year	15.69 cents	14.17 cents

Company	28 Feb 06	28 Feb 05
Net asset value per ordinary share based on number of shares in issue at end of year	11.19 cents	11.85 cents

Note:-

Net asset value is calculated based on number of shares at end of year of 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**

#### Revenue

In FY2006, the Group's revenue declined 3% to \$31.80 million, due to lower contribution from the distributor market segment. The distributor market, which remains the largest revenue contributor at 55% of total revenue, declined 19% or \$4.17 million to \$17.35 million in FY2006, due to the ending of production life-cycles for several car models and a delay in the roll-out for new models in Europe to the last quarter of FY2006.

This decline was, however, tempered by significant gains in the OEM market segment, which contributed 36% of total revenue. Benefiting from the automotive industry boom in Thailand, which has been touted as the "Detroit of Asia" and Malaysia, which is seeking to close the gap, the Group recorded a surge in sales growth for the OEM market of 35% or \$2.95 million to \$11.37 million in FY2006.

Revenue from the retail, after-market and non-automotive segment, accounted for 9% of total revenues, with retail, after-market increased 7% or \$0.16 million to \$2.64 million in FY2006, while the non-automotive segment, led to a 12% increase in revenue to \$0.05 million in FY2006.

#### Financial Income

Resulting from higher interest income for placement of fixed deposits and exchange rate gains from Malaysian Ringgit appreciation against the US dollar, the Group's financial income increased 71% or \$0.13 million to \$0.32 million in FY2006.

#### Financial Expense

With lower interest expense for trade bills and bank borrowings, financial expense decreased by 38% or \$0.08 million to \$0.13 million.

#### Aggregate of changes in inventories and raw material purchases and sub-contractor charges

In line with revenue reductions, aggregate of changes in inventories and raw material purchases and sub-contractor charges, decreased 4% or \$0.68 million to \$16.40 million in FY2006.

#### Employee benefits expense

Employee benefits expense increased 5% or \$0.40 million to \$7.77 million, in line with the increase in revenue contribution from the OEM segment.

#### Depreciation

Fewer machinery purchases led to a decline in depreciation of 12% or \$0.14 million to \$1.02 million in FY2006.

#### Other expenses

Savings due to tighter costs controls measures with focus on marketing expenses led to a decrease in other expenses of 13% or \$0.49 million to \$3.29 million in FY2006.

#### Other credits

With no gain from deemed disposal of subsidiary for FY2006, other credits were reduced to \$0.02 million.

#### Profitability

Despite a 3% reduction in revenue, the Group's net profit margin edged up to 8.21% in FY2006 from 7.52% in FY2005. This led to an increase in net profits of 6% to \$2.61 million in FY2006, and was predominately due to effective cost control measures undertaken in the year.

#### Balance Sheet and Cash Flow Statement

Total assets remained stable at \$25.80 million in both financial years. Total borrowings declined significantly to \$0.72 million in FY2006 from \$3.44 million in FY2005 due to trade and loan repayments.

Cash and cash equivalents remained healthy at \$7.48 million in FY2006, against \$8.42 million in FY2005, due to a cash outflow from financing activities of \$3.81 million used in the settlement of trade bills and repayment of term loans. Cash flow was healthy with \$ 2.98 million net cash inflow from operating activities while acquisition of property, plant and equipment was financed by both internal funds and finance leases.

Working capital ratio for credit term sales were closely matched with credit terms of purchases. Inventory turnover remains at 81 days in FY2006.

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

No profit forecast or prospect statement has been issued for the period under review.

#### **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**

Despite a decline in revenue from the European market in FY2006, Europe remains a core market for the Group. With the introduction of new car models, we expect a reversal for the coming year and significant demand growth for our products. Expansion of current distribution networks will enable the Group to capture a larger market share and allow us to reap the full benefits of the turnaround.

With a five-year compounded average growth of 23% for the automotive industry (source: The Thai Automotive Industry Association), Thailand which produced over 1.1 million vehicles in 2005, presents an attractive opportunity for the Group to improve its performance. To capitalise on this, the Group announced the acquisition of Jackson Vehicle Holdings ("JVH") in February 2006. JVH is a specialist in the manufacture and supply of auto parts and accessories has manufacturing and assembly facilities in Thailand and Singapore. The acquisition, which will boost the Group's product portfolio and springboard its penetration into the Thai automotive market, is expected to be earnings-accretive based on the minimum profit guarantee of \$3.5 million for FY2007 and FY2008 provided by its vendors. In addition, the Group has entered into a strategic alliance with leading Thai auto-parts maker AAPICO Hitech Public Company Limited ("AAPICO"). Through this alliance, Jackspeed will leverage on AAPICO's robust distribution network to facilitate introduction of products into Thailand. AAPICO will also collaborate with the Group on potential manufacturing activities. Under the terms of the agreement, AAPICO will emerge as the Group's second largest shareholder with a 20% equity stake.

Focus will also be placed on the OEM markets in Malaysia, which has recently expressed the intention to contest Thailand's claim to the title as "Detroit of Asia". Based on the significant revenue growth from the OEM segment in FY2006, the Group believes that further expansion in Malaysia, will serve to enhance the future performance of the Group.

Barring unforeseen circumstances, the directors are optimistic that the Group's outlook for FY 2007 will be favorable.

**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)	0.55 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%

**(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)	0.6 cent per ordinary share (less tax)
Par value of shares	S\$0.06
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	S\$0.06
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	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Revenue - external	17,353	21,526	11,370	8,424	2,636	2,474	438	391	31,797	32,815
Segment results	2,542	3,776	502	126	277	(414)	-	(64)	3,321	3,424
Other Credits									16	92
Financial Income									3,337	3,516
Financial Expense									320	187
Profit before tax									(130)	(208)
Income tax expense									3,527	3,495
Profit for the year									(915)	(1,015)
									2,612	2,480

**Other Information**

(Expressed in S\$'000)	Distributor		OEM		R & A		Non Auto		Grand Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Depreciation	559	766	366	300	85	88	14	14	1,024	1,168
Capital additions									436	2,463
Segment Assets	1,716	1,224	2,126	1,671	247	215	178	163	4,267	3,274
Unallocated Assets									21,531	22,526
									25,798	25,800
Segment Liabilities										
Unallocated Liabilities									5,240	7,232
									5,240	7,232

**(B) BY GEOGRAPHICAL**

(Expressed in S\$'000)	Singapore		Europe		Malaysia		Others		Grand Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2005	2005
Revenue	8,786	8,255	9,663	13,914	7,074	5,474	6,274	5,172	31,797	32,815
Segment results	1,789	1,249	1,129	2,382	238	(116)	165	9	3,321	3,524
Other Credits									16	92
Financial Income									3,337	3,516
Financial expense									320	187
Profit before tax									(130)	(208)
Income tax expense									3,527	3,495
Profit for the year									(915)	(1,015)
									2,612	2,480

**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**

Please refer to Note 8

**15. A breakdown of sales**

	Group		%
	S\$'000		
	Latest period	Previous corresponding period *	Increase / (Decrease)
Sales reported for first half year	17,395	17,209	1%
Profit before tax for first half year	1,852	1,710	8%
Sales reported for second half year	14,402	15,606	- 8%
Profit before tax for second half year	1,675	1,785	- 6%

\* based on management accounts

**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	1,192	943
Preference	-	-
Total:	1,192	943

BY ORDER OF THE BOARD