JACKSPEED CORPORATION LIMITED
(Company Registration No. 199300300W)

Half Year Financial Statement Announcement for the Period Ended 31 August 2007

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

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

	The Group		
	Six months ended		
	31.08.2007	(Restated) 31.08.2006	% change
	S$'000	S$'000	+ / (-)
Revenue	22,319	22,644	(1.4)
Finance Income	162	447	(63.8)
Finance Expenses	(97)	(184)	(47.3)
Changes in inventories	308	638	(51.7)
Raw material purchases and sub-contractors charges	(12,475)	(12,649)	(1.4)
Employee benefits expenses	(5,478)	(5,386)	1.7
Depreciation and amortisation	(705)	(820)	(14.0)
Other expenses	(2,391)	(2,428)	(1.5)
Other credits / (charges)	19	-	n.m.
Share of loss of associates	(282)	-	n.m.
Profit before tax	1,380	2,262	(39.0)
Income tax expense	(379)	(789)	(52.0)
Profit for the period	1,001	1,473	(32.0)
Attributable to:			
Equity holders of the Company	1,102	1,482	(25.6)
Minority interests	(101)	(9)	1,022.2
	1,001	1,473	(32.0)

1(a)(ii) Notes to Income Statement

	The Group		
	Six months ended		
	31.08.2007	(Restated) 31.08.2006	% change
	S$'000	S$'000	+ / (-)
Gain on disposal of plant and equipment	19	-	n.m.
Foreign exchange gain	22	286	(92)
Interest income from banks	140	109	28
Interest expense on borrowings	(39)	(103)	(62)
Fair value adjustment on financial liabilities	(58)	(81)	(28)

Notes: n.m. - not meaningful

Explanatory Notes:

The Group acquired 100% of Jackson Vehicle Holdings Pte Ltd and subsidiaries ("JVH Group") with effect from 1 March 2006. For the six months ended 31 August 2006, the fair values assigned to the identifiable assets and liabilities of the JVH Group at acquisition date were determined only provisionally. The allocation of purchase price of JVH Group to the Group's share of the identifiable assets and liabilities was determined and completed as at 28 February 2007. The goodwill that arose from the acquisition of JVH Group was increased from S$3.2 million to S$3.6 million. In addition, a fair value adjustment arose on the deferred consideration payable to the vendors. The effect of the fair value adjustment on financial liabilities for the six months ended 31 August 2006 has reduced the Group's results by S$81,000 to S$1.47 million. The comparatives for the income statement and cash flow statement for the six months ended 31 August 2006 have been restated accordingly.

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

	The Group		The Company	
	31.08.2007	28.02.2007	31.08.2007	28.02.2007
	S$'000	S$'000	S$'000	S$'000
Current assets:				
Cash and cash equivalents	10,984	11,196	5,056	5,386
Assets classified as held for sale	1,311	1,311	-	-
Trade and other receivables	9,118	8,892	7,287	6,665
Inventories	7,131	6,713	1,886	1,375
Total current assets	**28,544**	**28,112**	**14,229**	**13,426**
Non-current assets:				
Investments in subsidiaries	-	-	12,851	12,651
Investment in associates	517	799	338	338
Property, plant and equipment	7,271	7,728	2,676	2,797
Intangible assets	6,305	6,455	-	-
Total non-current assets	**14,093**	**14,982**	**15,865**	**15,786**
Total assets	**42,637**	**43,094**	**30,094**	**29,212**
Current liabilities:				
Short-term borrowings	83	51	-	-
Trade and other payables	8,458	6,561	5,345	2,886
Current tax payable	-	413	17	-
Current portion of long-term borrowings	130	98	-	-
Current portion of finance leases	92	107	38	38
Total current liabilities	**8,763**	**7,230**	**5,400**	**2,924**
Non-current liabilities:				
Deferred tax liabilities	580	520	25	25
Other payables	-	3,837	-	3,837
Long-term borrowings	778	852	-	-
Finance leases	130	180	78	97
Total non-current liabilities	**1,488**	**5,389**	**103**	**3,959**
Total liabilities	**10,251**	**12,619**	**5,503**	**6,883**
Equity:				
Share capital	24,109	21,832	24,109	21,832
Other reserves	114	168	-	-
Retained earnings	7,407	7,618	482	497
	31,630	**29,618**	**24,591**	**22,329**
Minority Interests	756	857	-	-
Total equity	**32,386**	**30,475**	**24,591**	**22,329**
Total liabilities and equity	**42,637**	**43,094**	**30,094**	**29,212**

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

(a) Amount repayable in one year or less, or on demand

	The Group		The Group	
	As at 31 August 2007		As at 28 February 2007	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Short-term borrowings	83	-	51	-
Current portion of long-term borrowings	130	-	98	-
Current portion of finance leases	92	-	107	-

(b) Amount repayable after one year

	The Group		The Group	
	As at 31 August 2007		As at 28 February 2007	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Long-term borrowings	778	-	852	-
Finance leases	130	-	180	-

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 covered by corporate guarantees from the Company and a subsidiary and negative pledges in respect of any assets (except stock in trade).

The obligations under finance leases are secured by the lessor's charge over the leased assets, and a guarantee and indemnity by the Company for a subsidiary's finance leases.

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

	The Group	
	Six months ended	
	31.08.2007	(Restated) 31.08.2006
	S$'000	S$'000
Cash flows from operating activities:		
Profit for the period	1,001	1,473
Adjustment for:		
Depreciation and amortisation	705	820
Gain on disposal of plant and equipment	(19)	-
Income tax expense	379	789
Fair value adjustment on financial liabilities	58	81
Interest income	(140)	(109)
Interest expense	39	103
Share of loss of associates	282	-
Operating profit before working capital charges	2,305	3,157
Restricted Cash [(2)]	-	(152)
Trade and other receivables	64	898
Inventories	(418)	(338)
Trade and other payables	(251)	(2,036)
Cash generated from operations	1,700	1,529
Income tax paid	(1,022)	(1,210)
Net cash from operating activities	678	319
Cash flows from investing activities:		
Interest received	140	109
Proceeds from disposal of plant and equipment	44	5
Purchase of plant & equipment	(144)	(534)
Acquisition of subsidiary, net of cash acquired	-	(2,373)
Investment in associates	-	(621)
Net cash from/(used) in investing activities	40	(3,414)
Cash flows from financing activities:		
Dividends paid	(1,313)	(878)
Decrease in borrowings	(10)	(789)
Interest paid	(39)	(103)
Capital contribution from minority shareholders of subsidiary	-	921
Proceeds from share issue, net of expenses	530	7,354
Decrease in finance lease	(65)	(67)
Net cash (used)/from financing activities	(897)	6,438
Exchange rate changes in consolidating foreign subsidiaries	(33)	(16)
Net (decrease)/increase in cash and cash equivalents	(212)	3,327
Cash and cash equivalents at beginning period	11,196	7,551
Cash and cash equivalents at end of period [(1)]	10,984	10,878

Explanatory Notes:

(1) Cash and cash equivalents in the cash flow statement comprises the following: -

	The Group	
	Six months ended	
	31.08.2007	31.08.2006
	S$'000	S$'000
Cash at bank and cash equivalents	10,984	11,030
Restricted Cash [(2)]	-	(152)
Cash and cash equivalents at end of period	10,984	10,878

(2) This is in relation to bank balances held by bankers as security for credit facilities granted to a subsidiary

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 as at 31 August 2006 was as follows:-

	Recognised on acquisition S$'000	Carrying amount before combination S$'000
Cash	740	740
Trade and other receivable	3,653	3,653
Inventories	913	913
Property, plant and equipment	1,754	1,754
Goodwill and other intangibles	6,604	-
Trade and other payables	(2,711)	(2,458)
Current tax payable	(265)	(265)
Deferred tax liability	(540)	-
Finance lease	(131)	(131)
Short term borrowings	(437)	(437)
Long term borrowings	(1,045)	(1,045)
Consideration	8,535	2,724
Less consideration payable by shares	(5,422)	
Cash consideration	3,113	
Less cash acquired	(740)	
Net cash outflow on acquisition	2,373	

1(d)(i) A statement (for the issue 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

	Attributable to equity holders of the Company					Minority interest	Total equity
The Group	**Share capital S$'000**	**Retained earnings S$'000**	**Asset revaluation reserve S$'000**	**Foreign currency translation reserve S$'000**	**Total S$'000**	**S$'000**	**S$'000**
At 1 March 2006	14,483	6,079	316	(319)	20,559	-	20,559
Profit for the period	-	1,482	-	-	1,482	(9)	1,473
Issue of share capital	7,860	-	-	-	7,860	-	7,860
Share issue expenses	(506)	-	-	-	(506)	-	(506)
Dividends paid	-	(878)	-	-	(878)	-	(878)
Minority interest contribution to capital	-	-	-	-	-	921	921
Exchange differences on translating foreign subsidiaries	-	-	-	(168)	(168)	-	(168)
At 31 August 2006	21,837	6,683	316	(487)	28,349	912	29,261
At 1 March 2007	21,832	7,618	316	(148)	29,618	857	30,475
Profit for the period	-	1,102	-	-	1,102	(101)	1,001
Issue of share capital	2,330	-	-	-	2,330	-	2,330
Share issue expenses	(53)	-	-	-	(53)	-	(53)
Dividends paid	-	(1,313)	-	-	(1,313)	-	(1,313)
Exchange differences on translating foreign subsidiaries	-	-	-	(54)	(54)	-	(54)
At 31 August 2007	24,109	7,407	316	(202)	31,630	756	32,386

The Company	**Share capital S$'000**	**Retained earnings S$'000**	**Total S$'000**
At 1 March 2006	14,483	180	14,663
Profit for the period	-	1,056	1,056
Issue of share capital	7,860	-	7,860
Share issue expenses	(506)	-	(506)
Dividends paid	-	(878)	(878)
At 31 August 2006	21,837	358	22,195
At 1 March 2007	21,832	497	22,329
Profit for the period	-	1,298	1,298
Issue of share capital	2,330	-	2,330
Share issue expenses	(53)	-	(53)
Dividends paid	-	(1,313)	(1,313)
At 31 August 2007	24,109	482	24,591

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

Since 28 February 2007, the Company has made the following issue of shares: -

(1) The issue of an aggregate of 9,709,100 ordinary shares on 30 May 2007 to Liew Ham Chow, Liew Nyuk Ngoh, Ho Choon Meng and Lee Seng Jeow ("JVH vendors") in satisfaction of the amount of S$1.7 million as part of the 1st tranche payment in the acquisition of 100% of the registered capital of Jackson Vehicle Holdings Pte Ltd and subsidiaries.

(2) The issue of an aggregate of 3,236,366 ordinary shares on 28 June 2007 to Aapico Investment Pte Ltd and Mr Ang Kian Lee at an issue price of S$0.18 per share.

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

Except as disclosed under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the audited financial statements for the year ended 28 February 2007.

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 adopted all the applicable new and revised Singapore Financial Reporting Standards ("FRS") including related interpretations ("INT FRS") promulgated by the Council on Corporate Disclosure and Governance, which became effective for the financial statements of the Group and of the Company for the year ended 28 February 2008. The adoption of the new and revised FRS and INT FRS did not give rise to any adjustments to the opening balances of the accumulated profits of the Group and of the Company for the prior periods or changes in comparatives.

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

	The Group	
	Six months ended	
	31.08.2007	**(Restated) 31.08.2006**
Earnings per share (in SGD cents)		
- Based on number of shares in issue [(1)]	**0.61**	**1.02**
- On a fully diluted basis	**0.61**	**1.02**

Notes: -

(1) Basic earnings per share was calculated based on the Group's actual profit for the period, based on the weighted average number of shares in issue of 180,770,032 shares and 145,555,556 shares for the period ended 31 August 2007 and 31 August 2006 respectively.

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

	The Group		The Company	
	31.08.2007	**28.02.2007**	**31.08.2007**	**28.02.2007**
Net Assets (S$'000)	31,630	29,618	24,591	22,329
Net asset value per share (in SGD cents)	**16.86**	**16.96**	**13.11**	**12.78**
Number of shares used in calculating NAV	187,612,133	174,666,667	187,612,133	174,666,667

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

For the six months ended 31 August 2007 (1H2008), the Group's revenue at S$22.3 million was comparable to the revenue of S$22.6 million from the previous corresponding period ended 31 August 2006 (1H2007).

The Leather Trim, Accessories and Aviation businesses accounted for 48%, 46% and 6% respectively, of the Group's 1H2008 revenue as compared to 66%, 33% and 1% respectively of the Group's 1H2007 revenue.

1H2008 revenue from the Leather Trim business declined by 27%, as compared to 1H2007. This was mainly due to decrease in orders from our OEM customer in Malaysia, caused by the on-going effects of the slow down in car production volume in Malaysia; and intense competition faced in the European market that led to lower orders received from distributors. The decline was further attributable to the conclusion of an OEM supply contract in Thailand in June 2006. Revenue from the Singapore market, on the other hand, grew by 29%, led by the Group's strategy of competitive pricing and introduction of its new leather range, which was well received by the market. Distributors and Retail and After Market collectively accounted for 91% and 79% of 1H2008 and 1H2007 revenue respectively, while OEM accounted for 9% and 21% of 1H2008 and 1H2007 revenue respectively.

The Accessories business that was newly acquired in March 2006, increased by 38% in 1H2008 as compared to 1H2007. The increase was mainly due to higher OEM orders from Thailand, the region's largest automotive manufacturer and partially offset by lower orders from distributors in Singapore. The Aviation business also saw robust growth in 1H2008 as revenue grew by 258% as compared to the same period last year. The Group continued to build on its range of technical services competencies and proficiencies and added new customers and secured more work with key customers.

Profitability

While overall gross margins for 1H2008 and 1H2007 was comparable, the Leather Trim and Aviation businesses improved their gross margins and the Accessories business achieved lower margins. The Leather Trim business had higher revenue contribution from Distributors and Retail and After Market for 1H2008 and that contributed to the improved margins. The Aviation business improved its margins with the widening of their range of services. The Accessories business achieved lower

margins despite a 38% increase in revenue, as OEM orders whose margins are lower, was the contributor to the increased revenue. In addition, the Accessories business incurred higher material cost for 1H2008 as a result of increases in steel prices, which further affected their gross margins.

Profit before tax fell by 39.0% for 1H2008 as compared to 1H2007. While gross margins for the two periods were comparable, the lower profit for 1H2008 was due mainly to higher staff costs incurred, as a result of higher head count from the Group's expanded operations in Thailand, lower foreign exchange gains and increased marketing and development effort in China. In addition, the Group accounted for its share of losses of S$0.3 million from its newly start-up associated companies, Aapico Jackspeed and Katsuya Thailand, which the Group acquired in June 2006 and August 2006 respectively. Excluding these losses from associated companies, the Group's profit before tax would have been S$1.7 million.

Tax expenses for 1H2008 fell in line with the lower profits and also as a result of reduction in corporate tax rates.

Overall, profit attributable to shareholders decreased 25.6% to S$1.1 million from S$1.5 million for 1H2007 due to higher expenses to support its expanded operations and losses incurred by associated companies.

Balance Sheet and Cash Flow

Trade and other payables decreased by 18.7% to S$8.5 million from S$10.4 million as at 28 February 2007, mainly due to the payment of the 1st tranche of the balance consideration in the acquisition of the JVH Group. The payment was made by way of issue of shares. Inventories increased by 6.2% to S$7.1 million as at 31 August 2007, mainly due to higher stocking of raw materials in the light of rising raw hide prices.

Cash from operating activities for 1H2008 was S$0.7 million. The Group's cash flows from investing activities were minimal for 1H2008 as no new investments were made. Net cash of S$0.9 million was used by the Group in 1H2008, mainly due to higher dividends paid and lower proceeds from share issue, as the number of shares issued were lower. At the close of 1H2008, the Group had cash and cash equivalents of S$11.0 million.

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

Not applicable.

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

Business conditions for Jackspeed in 2H2008 will continue to be challenging, primarily due to the continued increase in raw material prices and competition. Despite this, the Group has in place various initiatives to spur Jackspeed's further growth in addition to maintaining our margins.

Due to the rise in raw material prices, viz. leather hide, the Group has successfully sought alternative leather-based materials for use in our Leather Trim manufacture business and introduced it to our customers who have begun to agree to its use as a viable substitute for our Leather Trim products. In addition, we have implemented measures to improve productivity for our Leather Trim manufacturing process, which includes being more economical in our use of raw materials.

We expect our Leather Trim business in Singapore to remain robust due to the country's growing parallel import market – which Jackspeed has an established presence – and the popularity of our new product, which was well-received. We have also secured a deal with a government-linked organisation to refurbish and customise its vehicles and we expect this to contribute to revenue streams in 2H2008 for both our Leather Trim and Accessories segments.

The Group continues to consolidate our market position in Europe, which is one of the world's largest automotive markets, through our Belgium marketing office. We will intensify our marketing efforts to

acquire more customers from this market and gradually expand our client base in a region where many renowned car markers are located.

Car accessorising and customisation will continue to be popular in Southeast Asia. We are encouraged by the 38% growth in revenue contributions from our Accessories business and expect margins to further improve as the use of an alternative raw material, which we introduced to a major customer, has been accepted. Adding to the customisation and refurbishing deal secured in Singapore, we believe top line contributions from this segment will increase during the second half of FY2008 and beyond.

Capitalising on the opportunities brought about by Singapore's commitment to establish a regional hub for Aviation Maintenance Repair and Overhaul, the Group earlier applied to the Civil Aviation Authority of Singapore for SAR145 certification.

Jackspeed has since been SAR145-certified. This will be a springboard for expansion of our aviation business and contribute towards the Group's further growth. In addition, to strengthen our capabilities, we plan to expand our range of technical services, competencies and proficiencies in this segment; widen our customer base; and secure more business from renowned operators and owners in the region.

The Group has also been tracking developments in the global automotive industry, in particular China. According to industry experts, the country has overtaken Japan recently as the world's second largest automotive market in terms of sales and production volume – buoyed by the country's entry into the World Trade Organization (WTO).

Vast opportunities abound in this market and we are exploring business opportunities – specifically deals which involve the purchase automotive parts from China and their sale to another country. Progress has been encouraging and we are confident that our entry into this market would present Jackspeed with the potential to widen our earnings base.

Barring unforeseen circumstances, the Directors expect the performance of the Group in 2H2008 to be better than 1H2008.

11. Dividend

(a) Current Financial Period Reported On

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

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

(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

BY ORDER OF THE BOARD

Liew Ham Chow
Director
13 October 2007

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE SGX-ST LISTING MANUAL

We, Liew Ham Chow and Voo Jun Hing, being Directors of Jackspeed Corporation Limited ("the Company") do hereby confirm on behalf of the Board of Directors of the Company, that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the six months ended 31 August 2007 to be false or misleading in any material respect.

On behalf of the Board of Directors

Liew Ham Chow Director	Voo Jun Hing Director

13 October 2007