

## FULL YEAR RESULTS \* FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

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<b>Name of Announcer *</b>	JACKSPEED CORPORATION LIMITED
<b>Company Registration No.</b>	199300300W
<b>Announcement submitted on behalf of</b>	JACKSPEED CORPORATION LIMITED
<b>Announcement is submitted with respect to *</b>	JACKSPEED CORPORATION LIMITED
<b>Announcement is submitted by *</b>	CHEW KOK LIANG
<b>Designation *</b>	COMPANY SECRETARY
<b>Date &amp; Time of Broadcast</b>	26-Apr-2013 18:10:29
<b>Announcement No.</b>	00173

### >> ANNOUNCEMENT DETAILS

*The details of the announcement start here ...*

<b>For the Financial Period Ended *</b>	28-02-2013
<b>Description</b>	Please refer to the attachment
<b>Attachments</b>	 <a href="#">JCL_Results_Announcement_FY2013_FINAL.pdf</a> Total size =108K (2048K size limit recommended)



**JACKSPEED CORPORATION LIMITED**

(Incorporated in Singapore)

Registration No. 199300300W

**FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE FULL YEAR ENDED 28 FEBRUARY 2013**

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

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

Statement of Comprehensive Income

		<b>Group</b>		
		<b>Year Ended</b>		
	<b>Note</b>	<b>28 Feb 2013</b> S\$'000	<b>29 Feb 2012</b> S\$'000	<b>Change</b> %
<b>Revenue</b>	<b>2</b>	41,664	30,139	38.2
<b>Cost of sales</b>	<b>2</b>	(32,788)	(23,010)	42.5
<b>Gross profit</b>		8,876	7,129	24.5
<b><u>Other items of income</u></b>				
<b>Interest income</b>		196	159	23.3
<b>Other credits</b>	<b>1, 2</b>	884	2,404	(63.2)
<b><u>Other items of expenses</u></b>				
<b>Marketing and distribution costs</b>		(1,105)	(996)	10.9
<b>Administrative expenses</b>		(7,186)	(5,609)	28.1
<b>Finance costs</b>		(557)	(472)	18.0
<b>Other charges</b>	<b>1</b>	(26)	(82)	(68.3)
<b>Share of loss of associate and joint venture - net</b>		(168)	(6)	2,700.0
<b>Profit before tax</b>		<b>914</b>	<b>2,527</b>	<b>(63.8)</b>
<b>Income tax expense</b>		(105)	(138)	(23.9)
<b>Profit after tax</b>		<b>809</b>	<b>2,389</b>	<b>(66.1)</b>
Profit attributable to owners of the parent, net of tax		585	1,974	(70.4)
Profit attributable to non-controlling interests, net of tax		224	415	(46.0)
		<b>809</b>	<b>2,389</b>	<b>(66.1)</b>
<b><u>Other comprehensive income / (loss), net of tax</u></b>				
Fair value gain on available-for-sale financial assets		76	(59)	228.8
Exchange differences on translating foreign operations		(259)	17	(1,623.5)
<b>Total comprehensive income</b>		<b>626</b>	<b>2,347</b>	<b>(73.3)</b>
<b><u>Total comprehensive income:</u></b>				
Attributable to owners of the parent, net of tax		402	1,932	(79.2)
Attributable to non-controlling interests, net of tax		224	415	(46.0)
		<b>626</b>	<b>2,347</b>	<b>(73.3)</b>

**Note 1****Other credits and (other charges)**

Note

Reversal of allowance for impairment on trade receivables	
Allowance for impairment on trade receivables	
Allowance for impairment on other receivables	
Foreign exchange adjustment gains	
Gain on disposal of investment properties	
Gain on disposal of property, plant and equipment	2
Gain on disposal of subsidiaries	
Gain on disposal of available-for-sale financial assets	
Government grant income	
Net	

	Year Ended		
	28 Feb 2013 S\$'000	29 Feb 2012 S\$'000	Change %
-	-	43	(100.0)
(26)	(26)	-	NA
-	-	(82)	(100.0)
36	36	57	(36.8)
816	816	-	NA
10	10	2,076	(99.5)
-	-	210	(100.0)
7	7	3	133.3
15	15	15	0.0
<b>858</b>	<b>858</b>	<b>2,322</b>	<b>(63.0)</b>
Presented in profit or loss as:			
Other credits	884	2,404	(63.2)
Other charges	(26)	(82)	(68.3)
Net	<b>858</b>	<b>2,322</b>	<b>(63.0)</b>

**Note 2: Comparative figures**

The Company has reclassified certain items in the comparative figures that were previously reported in the results announcement for the full year ended 29 February 2012.

The gain on disposal of plant and equipment of S\$395,000, which relates to the re-sale of motor vehicles in Index Credit Pte Ltd and its subsidiaries ("Index Group"), is reclassified to the corresponding line items (ie. revenue and cost of sales) in the Statement of Comprehensive Income.

The reclassifications are as follows:

**Statement of Comprehensive Income**

Revenue  
Cost of sales

**Other Credits**

Gain on disposal of plant and equipment

	After reclassification S\$'000	Before reclassification S\$'000	Differences S\$'000
Revenue	30,139	29,475	664
Cost of sales	(23,010)	(22,741)	269
Gain on disposal of plant and equipment	2,076	2,471	(395)

In view of the above changes consequential reclassifications were made to the Consolidated Statement of Cash Flows.

- 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**

Note	Group		Company	
	As at		As at	
	28 Feb 2013 S\$'000	29 Feb 2012 S\$'000	28 Feb 2013 S\$'000	29 Feb 2012 S\$'000
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Investment properties	1,087	6,198	-	-
Property, plant and equipment	7,135	7,657	2,256	2,020
Goodwill	1,200	856	-	-
Investment in subsidiaries	-	-	10,762	11,194
Investment in associate	70	244	-	-
Investment in joint venture	6	-	-*	-
Finance lease receivables	5,813	5,307	-	-
Available-for-sale financial assets	1,530	2,474	1,530	2,474
Intangible assets	598	-	-	-
Deferred tax assets	29	46	20	20
<b>Total non-current assets</b>	<b>17,468</b>	<b>22,782</b>	<b>14,568</b>	<b>15,708</b>
<b><u>Current assets</u></b>				
Inventories	7,372	6,068	-	-
Trade and other receivables	4,084	8,048	4,954	4,407
Finance lease receivables	4,264	3,672	-	-
Other assets	1,046	974	38	32
Available-for-sale financial assets	-	1,586	-	1,586
Cash and cash equivalents	12,974	3,769	7,373	682
<b>Total current assets</b>	<b>29,740</b>	<b>24,117</b>	<b>12,365</b>	<b>6,707</b>
<b>Total assets</b>	<b>47,208</b>	<b>46,899</b>	<b>26,933</b>	<b>22,415</b>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity</u></b>				
Share capital	31,208	28,003	31,208	28,003
Accumulated losses	(2,340)	(2,925)	(7,583)	(11,047)
Other reserves	(561)	(378)	17	(59)
<b>Equity, attributable to owners of the parent</b>	<b>28,307</b>	<b>24,700</b>	<b>23,642</b>	<b>16,897</b>
Non-controlling interests	2,910	2,608	-	-
<b>Total equity</b>	<b>31,217</b>	<b>27,308</b>	<b>23,642</b>	<b>16,897</b>
<b><u>Non-current liabilities</u></b>				
Deferred tax liabilities	377	365	-	-
Other financial liabilities	-	64	-	-
Finance lease payables	221	404	72	-
<b>Total non-current liabilities</b>	<b>598</b>	<b>833</b>	<b>72</b>	<b>-</b>
<b><u>Current liabilities</u></b>				
Income tax payable	41	33	-	-
Trade and other payables	3,862	2,979	2,492	5,277
Other financial liabilities	2,081	6,731	660	241
Finance lease payables	9,409	9,015	67	-
<b>Total current liabilities</b>	<b>15,393</b>	<b>18,758</b>	<b>3,219</b>	<b>5,518</b>
<b>Total liabilities</b>	<b>15,991</b>	<b>19,591</b>	<b>3,291</b>	<b>5,518</b>
<b>Total equity and liabilities</b>	<b>47,208</b>	<b>46,899</b>	<b>26,933</b>	<b>22,415</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 28 Feb 2013</b>		<b>As at 29 Feb 2012</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
10,755	735	13,182	2,564

Amount repayable after one year

<b>As at 28 Feb 2013</b>		<b>As at 29 Feb 2012</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
221	-	404	64

**Details of any collateral**

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

In prior year, bank borrowings and other credit facilities were secured by mortgages on leasehold land and buildings and covered by corporate guarantees from the Company and personal guarantees from non-controlling interests.

In current year, bank borrowings and other credit facilities are covered by corporate guarantees from the Company and personal guarantees from non-controlling interests.

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

**Consolidated Statement of Cash Flows**

		<b>Group</b>	
		<b>Year Ended</b>	
		<b>28 Feb 2013</b>	<b>29 Feb 2012</b>
		S\$'000	S\$'000
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Profit before tax		<b>914</b>	<b>2,527</b>
<u>Adjustments for:</u>			
Interest income		(196)	(159)
Interest expense		557	472
Depreciation of property, plant and equipment		1,490	924
Depreciation of investment properties		26	27
Amortisation of intangible assets		238	-
Gain on disposal of investment properties		(816)	-
Gain on disposal of property, plant and equipment		(10)	(2,076)
Gain on disposal of subsidiaries		-	(210)
Gain on disposal of available-for-sales financial assets		(7)	(3)
Share of loss of associate and joint venture - net		168	6
<b>Operating cash flows before changes in working capital</b>		<b>2,364</b>	<b>1,508</b>
Inventories		(210)	(294)
Trade and other receivables		3,964	(1,211)
Other assets		(21)	(153)
Finance lease receivables		(1,098)	109
Trade and other payables		883	51
<b>Net cash from operations before interest and tax</b>		<b>5,882</b>	<b>10</b>
Income taxes paid		(256)	(177)
<b>Net cash from / (used in) operating activities</b>		<b>5,626</b>	<b>(167)</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of investment properties		10,930	-
Proceeds from disposal of plant and equipment		532	338
Proceeds from disposal of available-for-sale financial assets		3,617	2,259
Purchase of plant and equipment		(1,062)	(326)
Purchase of investment properties		(5,072)	(4,291)
Purchase of available-for-sale financial assets		(1,004)	(6,375)
Acquisition of a subsidiary, net of cash acquired	<b>3</b>	(2,025)	(2,943)
Proceeds from disposal of subsidiaries, net of cash disposed		-	428
Interest received		196	159
<b>Net cash from / (used in) investing activities</b>		<b>6,112</b>	<b>(10,751)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		3,205	-
Increase from new borrowings		4,481	8,963
Dividends paid to non-controlling interests		(200)	-
Decrease in borrowings		(8,383)	(1,402)
Finance lease repayments		(921)	(4,245)
Interest paid		(557)	(472)
<b>Net cash (used in) / from financing activities</b>		<b>(2,375)</b>	<b>2,844</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>9,363</b>	<b>(8,074)</b>
Cash and cash equivalents, cash flow statement, beginning balance		3,757	11,804
Effect of exchange rate changes on cash and cash equivalents		(158)	27
<b>Cash and cash equivalents, cash flow statement, ending balance</b>	<b>4</b>	<b>12,962</b>	<b>3,757</b>

**Note 3**

On 5 October 2012, the Group acquired 100% equity in Ultimate Vehicle Pty Ltd ("Ultimate").

The aggregate effects of acquisition of subsidiary on the cash flows of the Group

	Acquisition	
	Provisional fair value	Pre-acquisition book value
	S\$'000	S\$'000
<b>Identifiable assets and liabilities</b>		
Inventories	1,094	1,094
Plant and equipment	176	176
Total assets	1,270	1,270
Identifiable net assets acquired	1,270	1,270
Consideration	2,025	
Less: Fair value of net assets acquired (provisional amounts)	(1,270)	
Goodwill	755	
Cash consideration paid	2,025	
Less: Cash and cash equivalents in subsidiary acquired	-	
Net cash outflow from acquisition	2,025	

**Note 4****Represented by:**

Balance as per cash and cash equivalents in the statement of financial position  
Restricted cash

**Cash and cash equivalents in the consolidated statement of cash flows**

	28 Feb 2013	29 Feb 2012
	S\$'000	S\$'000
	12,974	3,769
	(12)	(12)
	<b>12,962</b>	<b>3,757</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 year of the immediately preceding financial year.

**Statements of Changes in Equity**

Note	Group		Company	
	28 Feb 2013	29 Feb 2012	28 Feb 2013	29 Feb 2012
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Share capital</b>				
Balance at beginning of the year	28,003	28,003	28,003	28,003
Issuance of ordinary shares	3,205	-	3,205	-
<b>Balance at end of the year</b>	<b>31,208</b>	<b>28,003</b>	<b>31,208</b>	<b>28,003</b>
<b>Other reserves</b>				
Balance at beginning of the year	(378)	(336)	(59)	-
Total comprehensive (loss)/income for the year	(183)	(42)	76	(59)
<b>Balance at end of the year</b>	<b>(561)</b>	<b>(378)</b>	<b>17</b>	<b>(59)</b>
<b>Accumulated losses</b>				
Balance at beginning of the year	(2,925)	(4,899)	(11,047)	(11,548)
Total comprehensive income for the year	585	1,974	3,464	501
<b>Balance at end of the year</b>	<b>(2,340)</b>	<b>(2,925)</b>	<b>(7,583)</b>	<b>(11,047)</b>
Equity, attributable to owners of the parent	<b>28,307</b>	<b>24,700</b>	<b>23,642</b>	<b>16,897</b>
<b>Non-controlling interests</b>				
Balance at beginning of the year	2,608	431	-	-
Acquisition of subsidiary	278	1,762	-	-
Dividend	(200)	-	-	-
Total comprehensive income for the year	224	415	-	-
<b>Balance at end of the year</b>	<b>2,910</b>	<b>2,608</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>31,217</b>	<b>27,308</b>	<b>23,642</b>	<b>16,897</b>

**Note 5**

In FY2013, non-controlling interests from the acquisition of subsidiary arise from the completion of purchase price allocation exercise for Index Group.

- 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 year 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 of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.

**Ordinary shares of no par value**

Balance at beginning of the year  
Issue of shares at \$0.0795 each  
Balance at end of the year

Group and Company	
28 Feb 2013	29 Feb 2012
No. of shares '000	No. of shares '000
209,243	209,243
41,800	-
251,043	209,243

On 23 March 2012, the Company issued 41,800,000 shares at \$0.0795 each for general working capital purpose. Net proceeds amounted to \$3,205,000. These shares were issued at a discount of 10% to the weighted average price per share pursuant to the general mandate granted by the shareholders of the Company.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

251,043,000 ordinary shares are issued as at 28 February 2013 (29 February 2012: 209,243,000).

- 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 year 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 year compared to the audited financial statements as at 29 February 2012 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 year beginning 1 March 2012. 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 year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Group	
	28 Feb 2013	29 Feb 2012
Earnings per ordinary share for the year based on profit attributable to owners of the parent, net of tax	Cents	Cents
a) Based on weighted average number of ordinary shares of 248,524,000 (2012: 209,243,000)	0.24	0.94
b) On a fully diluted basis	0.24	0.94



7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

(a) **current financial year reported on; and**

(b) **immediately preceding financial year.**

	Group		Company	
	28 Feb 2013 Cents	29 Feb 2012 Cents	28 Feb 2013 Cents	29 Feb 2012 Cents
* Net asset value per ordinary share based on issued share capital as at the end of the financial year	12.43	13.05	9.42	8.08

\* 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 year 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 year reported on.**

On 5 October 2012, the Group acquired 100% equity in Ultimate for a consideration of \$2.0 million. Ultimate, a company incorporated in Australia, is in the business of distributing and installing car leather seating, sunroofs, canopies and other car accessories.

**Impact of acquisition from the date of acquisition**

Revenue  
Expenses  
Profit before tax from acquired subsidiary  
Tax  
Profit after tax from acquired subsidiary  
Profit after tax from acquired subsidiary attributable to non-controlling interests  
Profit after tax from acquired subsidiary attributable to owners of the parent

Year Ended
28 Feb 2013
S\$'000
1,023
(962)
61
(18)
<b>43</b>
-
<b>43</b>

For illustration purpose only and assuming the acquisition had been completed at the beginning of FY2013:

**Impact of acquisition from the beginning of the financial year**

Revenue  
Expenses  
Profit before tax from acquired subsidiary  
Tax  
Profit after tax from acquired subsidiary  
Profit after tax from acquired subsidiary attributable to non-  
Profit after tax from acquired subsidiary attributable to owners of the parent

Year Ended
28 Feb 2013
S\$'000
2,589
(2,243)
346
(169)
<b>177</b>
-
<b>177</b>

In addition, a joint venture company, Jackspeed Euris Japan Pte. Ltd. ("Jackspeed Euris"), was incorporated on 7 December 2012. Jackspeed Euris is engaged in the business of designing, distributing and installing seat covers in the automotive aftermarket industry and the sale and production of seat covers for Original Equipment Manufacturers and any other related automotive upholstery businesses in Japan.

### **Revenue by segments**

Group revenue in FY2013 increased by \$11.5 million or 38% as compared to prior year. In FY2013, the Leather, Accessories and Automotive segments accounted for 36%, 13% and 51% of the Group's revenue respectively as compared to 37%, 13% and 50% respectively in prior year.

#### **Leather segment**

Revenue from the Leather segment increased by \$4.0 million or 37% from \$11.0 million in FY2012 to \$15.0 million in FY2013. This is mainly due to the increase in the trading volume of automotive spare parts, revenue contributed by Ultimate acquired during the year and increase in revenue from the Aviation business.

#### **Accessories segment**

Revenue from the Accessories segment increased by \$1.4 million or 35% from \$4.0 million in FY2012 to \$5.4 million in FY2013. This is mainly due to the recovery of the business of customers that were affected by Thailand flood in prior year.

#### **Automotive segment**

Revenue from the Automotive segment increased by \$6.2 million or 41% from \$15.1 million in FY2012 to \$21.3 million in FY2013. This is due to the revenue contribution by Index Group that was acquired in Q2FY2012.

### **Operating profit by segments**

#### **Leather segment**

Operating loss from the Leather segment decreased by \$0.3 million from \$0.8 million in FY2012 to \$0.5 million in FY2013. This is mainly due to reduced losses in the Aviation business by \$0.2 million and operating profit contributed by Ultimate amounting to \$0.1 million.

#### **Accessories segment**

There is an operating profit of \$0.4 million in the Accessories segment in FY2013 as compared to an operating loss of \$0.1 million in prior year. This is mainly due to the recovery of the business of customers that were affected by Thailand flood in prior year.

#### **Automotive segment**

Operating profit of the Automotive segment decreased by \$1.0 million from \$1.6 million in FY2012 to \$0.6 million in FY2013. This is mainly due to the following:

- (i) increase in amortisation and depreciation expenses by \$0.2 million and \$0.6 million respectively, as a result of the completion of purchase price allocation exercise for the acquisition of Index Group;
- (ii) increase in rental expenses by \$0.3 million; and
- (iii) increase in loss from an associate by \$0.2 million.

The decrease is offset by the impact of the full year operating profits recognised for Index Group in FY2013. Index Group was acquired in Q2FY2012.

### **Statement of comprehensive income**

There are no significant changes to the gross profit margins.

The increase in interest income by \$37,000 or 23% as compared to prior year is mainly due to interest income from a loan to an associate.

Other credits in FY2012 relate to the gain on disposal of property, plant and equipment (\$2.1 million), gain on disposal of subsidiaries, Jackson Vehicle (Singapore) Pte Ltd and Strategic Icon Technologies Pte Ltd (\$0.2 million) and foreign exchange adjustment gains (\$0.1 million). Other credits in FY2013 mainly relate to the gain on disposal of investment properties (\$0.8 million).

The increase in marketing and distribution costs by \$0.1 million is mainly due to the increase in overseas travelling expenses.

The increase in administrative expenses by \$1.6 million as compared to prior year is mainly contributed by Index Group and Ultimate that were acquired in Q2FY2012 and FY2013 respectively.

The increase in finance costs by \$0.1 million as compared to prior year is contributed by Index Group that was acquired in Q2FY2012.

Other charges in FY2012 relate to the allowance for impairment on other receivables (\$82,000). Other charges in FY2013 relate to the allowance for impairment on trade receivables (\$26,000).

The increase in the share of loss of associate and joint venture - net by \$0.2 million is mainly due to further loss incurred by an associate during the year.

## **Statement of financial position**

### **Group**

The \$5.1 million decrease in investment properties is mainly due to the disposal of leasehold properties held by Index Group.

The \$0.3 million increase in goodwill arises from acquisition of Ultimate amounting to \$0.7 million. The increase is offset by a \$0.4 million adjustment on goodwill from the acquisition of Index Group as a result of the completion of purchase price allocation exercise.

The decrease in investment in associate by \$0.2 million is due to the share of loss of an associate.

The increase in investment in joint venture by \$6,000 is mainly due to the share of profit of a joint venture.

The increase in finance lease receivables (current and non-current) by \$1.1 million is mainly due to the new financing loans for motor vehicles granted during the year.

The decrease in available-for-sale financial assets (current and non-current) by \$2.5 million is due to the disposal of \$3.6 million of fixed-rated bonds. This is offset by the purchase of \$1.0 million of fixed-rated bonds and fair value gain on available-for-sale financial assets of \$0.1 million.

The \$0.6 million increase in intangible assets is due to the recognition of \$0.8 million intangible assets on customer relationships as a result of the completion of purchase price allocation exercise for the acquisition of Index Group. The increase is offset by the amortisation of intangible assets amounting to \$0.2 million.

Inventories increased by \$1.3 million as a result of the acquisition of Ultimate (\$1.1 million).

The \$4.0 million decrease in trade and other receivables is mainly due to the receipt of proceeds of \$3.5 million from the leasehold property that was sold in prior year.

The \$0.9 million increase in trade and other payables is mainly due to goods and services tax payable amounting to \$0.7 million on the sale of investment properties .

The \$4.7 million decrease in other financial liabilities (current and non-current) is mainly due to the redemption of mortgage loans of \$3.4 million for the properties that were disposed and the repayment of other bank loans amounting to \$1.3 million.

### **Company**

The \$0.2 million increase in property, plant and equipment is mainly due to purchase of motor vehicle of \$0.4 million. This is offset by depreciation during the year amounting to \$0.2 million.

The increase in trade and other receivables by \$0.5 million is mainly due the increase in receivables from trading of automotive spare parts amounting to \$0.5 million.

The increase in other financial liabilities (current and non-current) by \$0.4 million is due to the increase in trust receipts payable to a bank in relation to the trading of automotive spare parts.

The \$2.8 million decrease in trade and other payables is due to the repayment of an amount payable to a subsidiary.

The increase in finance lease payables by \$0.1 million relates to a new hire purchase loan for a motor vehicle.

## **Consolidated statement of cash flows**

Cash and cash equivalents increased by approximately \$9.4 million in FY2013 mainly as a result of net cash flows from operating activities (\$5.6 million), the proceeds from shares issuance (\$3.2 million) and the sale proceeds from the disposal of investment properties (\$10.9 million) and available-for-sale financial assets (\$3.6 million). This is offset by the acquisition of a subsidiary (\$2.0 million), the purchase of available-for-sale financial assets (\$1.0 million), investment properties (\$5.1 million) and property, plant and equipment (\$1.1 million) and the repayment of finance lease payables and other financial liabilities (net of new borrowings) (\$4.8 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 year.

- 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 year and the next 12 months.**

In FY2013, the Company acquired 100% equity interest in Ultimate and incorporated a joint venture, Jackspeed Euris, a move to expand the leather business in Australia and Japan markets.

The business outlook for Singapore market remains challenging. The Group will continue its strategic efforts in 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)**

**Type of dividend**

Interim  
Final  
Tax rate

<b>Group and Company</b>	
<b>FY2013</b>	<b>FY2012</b>
Cents	Cents
Nil	Nil
Nil	Nil
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 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 year ended 28 February 2013.

- 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 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.**

The \$3.2 million proceeds from the issuance of shares on 23 March 2012 are yet to be utilised.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 15 **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.**

**Business segments**

The Group’s operating businesses are currently organised according to their nature of business activities. Such structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. These are grouped into the following segments and represents the basis on which the Group reports its segment information:-

**Leather segment** comprises sales of leather trim to car distributors, dealers and manufacturers in automotive and aviation industries;

**Accessories segment** comprises sales of accessories to car distributors, dealers and Original Equipment Manufacturers in the automobile industry; and

**Automotive segment** comprises of sales from trading, financing and rental of motor vehicles and business of commission agents.

<b><u>FY2013</u></b>	<b>Leather</b>	<b>Accessories</b>	<b>Automotive</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>	<b>15,053</b>	<b>5,353</b>	<b>21,258</b>	<b>41,664</b>
<b>Operating (loss) / profit</b>	<b>(479)</b>	<b>360</b>	<b>553</b>	<b>434</b>
Interest income	136	-	60	196
Finance costs	(45)	(1)	(511)	(557)
Other credits	25	-	816	841
Profit before tax				914
Income tax expense				(105)
<b>Profit after tax</b>				<b>809</b>

<b>Note</b>	<b>Leather</b>	<b>Accessories</b>	<b>Automotive</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation and amortisation expense	355	102	1,297	1,754
Capital expenditure	547	13	5,589	6,149
Reportable segment assets	23,900	3,557	19,751	47,208
Reportable segment liabilities	2,239	849	12,903	15,991

<b><u>FY2012</u></b>	<b>Leather</b>	<b>Accessories</b>	<b>Automotive</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>	<b>11,021</b>	<b>4,048</b>	<b>15,070</b>	<b>30,139</b>
<b>Operating (loss) / profit</b>	<b>(790)</b>	<b>(127)</b>	<b>1,602</b>	<b>685</b>
Interest income	144	13	2	159
Finance costs	(18)	(4)	(450)	(472)
Other credits	15	2,140	-	2,155
Profit before tax				2,527
Income tax expense				(138)
<b>Profit after tax</b>				<b>2,389</b>

<b>Note</b>	<b>Leather</b>	<b>Accessories</b>	<b>Automotive</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation expense	246	200	505	951
Capital expenditure	171	45	4,823	5,039
Reportable segment assets	17,792	6,026	23,081	46,899
Reportable segment liabilities	3,672	825	15,094	19,591

**Note 6**

Depreciation and amortisation expense increased by \$0.8 million from \$1.0 million in FY2012 to \$1.8 million in FY2013. This is mainly due to the following:

- (i) additional depreciation and amortisation expense amounting to \$0.5 million resulting from the completion of purchase price allocation exercise for the acquisition of Index Group; and
- (ii) impact of the full year depreciation expense recognised for Index Group in FY2013. Index Group was acquired in Q2FY2012.

**Geographical segments**

During the year, the Group's main operations are located in Singapore, Malaysia, Thailand and Australia.

Revenues are attributed to countries on the basis of the customer's location.

	Revenue		Non-current assets	
	FY2013 S\$'000	FY2012 S\$'000	FY2013 S\$'000	FY2012 S\$'000
<b>Singapore</b>	27,677	19,465	5,879	11,447
<b>Malaysia</b>	1,412	1,133	2,992	3,141
<b>Thailand</b>	5,322	3,756	279	367
<b>Europe <sup>(1)</sup></b>	2,836	2,959	-	-
<b>Australia</b>	1,599	719	946	-
<b>Others <sup>(2)</sup></b>	2,818	2,107	-	-
<b>Total</b>	<b>41,664</b>	<b>30,139</b>	<b>10,096</b>	<b>14,955</b>

<sup>(1)</sup> Comprises mainly of Denmark, Holland, Ireland, Sweden and UK.

<sup>(2)</sup> Comprises mainly of Indonesia, Japan, Mauritius and Vietnam.

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

Refer to paragraphs 8, 10 and 15.

**17 A breakdown of sales.**

	Group		
	FY2013 S\$000	FY2012 S\$000	Change %
(a) Sales reported for first half year	21,016	12,957	62.2
(b) Operating profit after tax before deducting minority interests reported for the first half year	322	243	32.5
(c) Sales reported for second half year	20,648	17,182	20.2
(d) Operating profit after tax before deducting minority interests reported for the second half year	487	2,146	(77.3)

**18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

**Ordinary dividend**

Interim exempt (one-tier)

Final exempt (one-tier)

Preference dividend

	FY2013 S\$'000	FY2012 S\$'000
Interim exempt (one-tier)	Nil	Nil
Final exempt (one-tier)	Nil	Nil
Preference dividend	Nil	Nil

- 19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

**ON BEHALF OF THE BOARD**

YAP KIAN PENG  
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER