

Financial Statements and Related Announcement::Half Yearly Results


Issuer & Securities

Issuer/ Manager	JACKSPEED CORPORATION LIMITED
Securities	JACKSPEED CORPORATION LIMITED - SG1O75914679 - J17
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	08-Oct-2018 19:09:45
Status	New
Announcement Sub Title	Half Yearly Results
Announcement Reference	SG181008OTHR6C13
Submitted By (Co./ Ind. Name)	Chew Kok Liang
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please refer to the attachment.

Additional Details

For Financial Period Ended	31/08/2018
Attachments	<p> HY2019 Results Announcement - FINAL.pdf</p> <p>Total size =373K</p>





JACKSPEED CORPORATION LIMITED

(Incorporated in Singapore)

Registration No. 199300300W

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 AUGUST 2018

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

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

Statement of Comprehensive Income

	Note	Group		
		Period Ended		
		31 Aug 2018 S\$'000	31 Aug 2017 S\$'000	Change %
Revenue		26,047	29,053	(10.3)
Cost of sales		(15,859)	(20,162)	(21.3)
Gross profit		10,188	8,891	14.6
<u>Other items of income</u>				
Interest income		17	17	0.0
Other gains	1	213	153	39.2
<u>Other items of expenses</u>				
Marketing and distribution costs		(266)	(221)	20.4
Administrative expenses		(5,025)	(4,597)	9.3
Finance costs - interest expense		(1,183)	(524)	125.8
Other expenses	1	(163)	(111)	46.8
Share of gain from equity-accounted associate		1,000	-	n.m.
Share of loss from equity-accounted joint venture		(1)	(1)	0.0
Profit before tax from continuing operations		4,780	3,607	32.5
Income tax expense		(888)	(613)	44.9
Profit net of tax from continuing operations		3,892	2,994	30.0
Profit attributable to owners of the parent, net of tax		3,359	2,641	27.2
Profit attributable to non-controlling interests, net of tax		533	353	51.0
		3,892	2,994	30.0
<u>Other comprehensive income, net of tax</u>				
Items that may be reclassified subsequently to profit or loss:				
Fair value gain on available-for-sale financial assets		2	5	(60.0)
Exchange differences on translating foreign operations		(37)	93	(139.8)
Other comprehensive (loss) / gain, net of tax		(35)	98	(135.7)
Total comprehensive income		3,857	3,092	24.7
<u>Total comprehensive income:</u>				
Attributable to owners of the parent, net of tax		3,324	2,739	21.4
Attributable to non-controlling interests, net of tax		533	353	51.0
		3,857	3,092	24.7

n.m. = not meaningful

Note 1**Other gains and (other expenses)**

Reversal of allowance for impairment of finance lease receivables
Allowance for impairment of other receivables
Bad debts written-off - trade receivables
Foreign exchange adjustment gains / (losses)
Gain on disposal of plant and equipment
Government grant income
Net

	Period Ended		
	31 Aug 2018 S\$'000	31 Aug 2017 S\$'000	Change %
	6	-	n.m.
	(157)	-	n.m.
	(6)	(22)	(72.7)
	137	(89)	(253.9)
	31	118	(73.7)
	39	35	11.4
Net	50	42	19.0
Presented in profit or loss as:			
Other gains	213	153	39.2
Other expenses	(163)	(111)	46.8
Net	50	42	(19.0)

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

Depreciation of property, plant and equipment
Depreciation of investment property
Total depreciation and amortisation expenses

	Period Ended		
	31 Aug 2018 S\$'000	31 Aug 2017 S\$'000	Change %
	1,132	1,064	6.4
	11	10	10.0
Total	1,143	1,074	6.4

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

	Group		Company	
	As at		As at	
	31 Aug 2018 S\$'000	28 Feb 2018 S\$'000	31 Aug 2018 S\$'000	28 Feb 2018 S\$'000
ASSETS				
<u>Non-current assets</u>				
Investment property	785	807	-	-
Property, plant and equipment	14,078	10,741	420	469
Intangible assets	832	860	-	-
Investments in subsidiaries	-	-	16,338	16,338
Investment in an associate	2,768	3,645	1,608	3,484
Investment in a joint venture	-	1	-*	-*
Finance lease receivables	51,653	39,988	-	-
Available-for-sale financial assets	269	267	269	267
Deferred tax assets	109	109	-	-
Total non-current assets	70,494	56,418	18,635	20,558
<u>Current assets</u>				
Cash and cash equivalents	18,265	18,365	5,121	8,257
Inventories	2,909	3,492	-	-
Trade and other receivables	25,476	24,063	23,032	22,788
Finance lease receivables	18,665	16,150	-	-
Other assets	3,423	1,446	485	34
Total current assets	68,738	63,516	28,638	31,079
Total assets	139,232	119,934	47,273	51,637
EQUITY AND LIABILITIES				
<u>Equity attributable to owners of the parent</u>				
Share capital	36,865	36,865	36,865	36,865
Treasury shares	(50)	-	(50)	-
Retained earnings	15,125	13,275	(1,226)	692
Other reserves	(1,675)	(1,640)	(6)	(8)
Equity attributable to owners of the parent	50,265	48,500	35,583	37,549
Non-controlling interests	4,567	4,034	-	-
Total equity	54,832	52,534	35,583	37,549
<u>Non-current liabilities</u>				
Deferred tax liabilities	70	71	-	-
Other financial liabilities	1,610	2,112	-	-
Total non-current liabilities	1,680	2,183	-	-
<u>Current liabilities</u>				
Income tax payable	1,072	1,047	-	-
Trade and other payables	10,083	12,347	9,937	13,897
Other financial liabilities	71,565	51,823	1,753	191
Total current liabilities	82,720	65,217	11,690	14,088
Total liabilities	84,400	67,400	11,690	14,088
Total equity and liabilities	139,232	119,934	47,273	51,637

* 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

As at 31 Aug 2018		As at 28 Feb 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
69,812	1,753	51,632	191

Amount repayable after one year

As at 31 Aug 2018		As at 28 Feb 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,610	-	2,112	-

Details of any collaterals

The Group's borrowings are secured by the lessors' charges over the leased assets and covered by corporate guarantees from the Company and personal guarantees from non-controlling interests.

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

Consolidated Statement of Cash Flows

Cash flows from operating activities

Profit before tax

Adjustments for:

Interest income

Interest expense

Depreciation of property, plant and equipment

Depreciation of investment property

Gain on disposal of plant and equipment

Share of gain from equity-accounted associate

Share of loss from equity-accounted joint venture

Operating cash flows before changes in working capital

Inventories

Trade and other receivables

Other assets

Finance lease receivables

Trade and other payables

Net cash flows from operations before tax

Income taxes paid

Net cash flows from operating activities

Cash flows from investing activities

Proceeds from disposal of plant and equipment

Purchase of plant and equipment

Dividends received from an associate

Other receivables

Interest received

Net cash flows from / (used in) investing activities

Cash flows from financing activities

Dividends paid on ordinary shares

Net proceeds from issuance of ordinary shares

Purchase of treasury shares

Increase in other financial liabilities

Decrease in finance lease payables

Interest paid

Net cash flows (used in) / from financing activities

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents, statement of cash flows, beginning balance

Effect of exchange rate changes on cash and cash equivalents

**Cash and cash equivalents, statement of cash flows,
ending balance**

Note

Group	
Period Ended	
31 Aug 2018	31 Aug 2017
S\$'000	S\$'000
4,780	3,607
(17)	(17)
1,183	524
1,132	1,064
11	10
(31)	(118)
(1,000)	-
1	1
6,059	5,071
2,086	514
(1,733)	(2,683)
(2,061)	6
(305)	(987)
(2,253)	160
1,793	2,081
(787)	(620)
1,006	1,461
39	105
(847)	(1,169)
1,876	-
192	(1,475)
17	17
1,277	(2,522)
(1,509)	-
-	5,657
(50)	-
1,563	538
(1,384)	(753)
(1,183)	(524)
(2,563)	4,918
(280)	3,857
18,334	12,684
181	73
18,235	16,614

2

Note 2

Represented by:

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

Restricted cash

Cash and cash equivalents for statement of cash flows purposes

31 Aug 2018	31 Aug 2017
S\$'000	S\$'000
18,265	16,626
(30)	(12)
18,235	16,614

- 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 period of the immediately preceding financial year.

Statements of Changes in Equity

	Group		Company	
	31 Aug 2018 S\$'000	31 Aug 2017 S\$'000	31 Aug 2018 S\$'000	31 Aug 2017 S\$'000
Share capital				
Balance at beginning of the period	36,865	31,208	36,865	31,208
Issuance of ordinary shares	-	5,657	-	5,657
Balance at end of the period	36,865	36,865	36,865	36,865
Treasury shares				
Balance at beginning of the period	-	-	-	-
Purchase of treasury shares	(50)	-	(50)	-
Balance at end of the period	(50)	-	(50)	-
Other reserves				
Balance at beginning of the period	(1,640)	(2,248)	(8)	(6)
Total comprehensive (loss) / income for the period	(35)	98	2	5
Balance at end of the period	(1,675)	(2,150)	(6)	(1)
Retained earnings / (accumulated losses)				
Balance at beginning of the period	13,275	12,232	692	3,134
Dividends paid on ordinary shares	(1,509)	-	(1,509)	-
Total comprehensive income / (loss) for the period	3,359	2,641	(409)	(37)
Balance at end of the period	15,125	14,873	(1,226)	3,097
Equity attributable to owners of the parent	50,265	49,588	35,583	39,961
Non-controlling interests				
Balance at beginning of the period	4,034	3,615	-	-
Total comprehensive income for the period	533	353	-	-
Balance at end of the period	4,567	3,968	-	-
Total equity	54,832	53,556	35,583	39,961

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	Group and Company	
	31 Aug 2018 No. of shares '000	31 Aug 2017 No. of shares '000
Ordinary shares of no par value		
Balance at beginning of the period	301,252	251,044
Issuance of new ordinary shares	-	50,208
Balance at end of the period	301,252	301,252
Treasury shares		
Balance at beginning of the period	-	-
Purchase of shares by way of market acquisition	250	-
Balance at end of the period	250	-
Issued ordinary shares excluding treasury shares	301,002	301,252
Treasury shares held against issued ordinary shares excluding treasury shares (%)	0.08%	0.00%

The Company does not have any outstanding convertibles or subsidiary holdings as at 31 August 2018 and 31 August 2017.

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

301,002,279 ordinary shares excluding treasury shares are issued as at 31 August 2018 (28 February 2018: 301,252,279).

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of treasury shares as at 31 August 2018.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company does not have any subsidiary holdings.

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 period compared to the audited financial statements as at 28 February 2018 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 period beginning 1 March 2018. 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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Group	
	31 Aug 2018	31 Aug 2017
Earnings per ordinary share for the period based on profit attributable to owners of the parent, net of tax	Cents	Cents
a) Based on weighted average number of ordinary shares (excluding treasury shares) of 301,029,725 (1HY2018: 266,597,361)	1.12	0.99
b) On a fully diluted basis	1.12	0.99

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	31 Aug 2018	28 Feb 2018	31 Aug 2018	28 Feb 2018
	Cents	Cents	Cents	Cents
* Net asset value per ordinary share based on issued shares excluding treasury shares as at the end of the financial period / year	18.22	17.44	11.82	12.46

* 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 period 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 period reported on.

Statement of comprehensive income

Profit attributable to owners of the Group, net of tax

Net profit attributable to owners of the Group increased by \$0.7 million in 1HY2019 as compared to the same period in 1HY2018. This is mainly due to share of gain from equity-accounted associate amounting to \$1.0 million in 1HY2019.

Revenue by segments

Group revenue in 1HY2019 decreased by \$3.0 million or 10% as compared to the prior period. In 1HY2019, Accessories and Non-Accessories segments accounted for 60% and 40% of the Group's revenue respectively, as compared to 55% and 45% respectively in 1HY2018.

Accessories segment

Revenue from the Accessories segment decreased by \$0.5 million or 3%, from \$16.1 million in 1HY2018 to \$15.6 million in 1HY2019. This is mainly due to a decrease in revenue from supplying of accessories to an automotive manufacturer in Thailand.

Non-Accessories segment

Revenue from the Non-Accessories segment decreased by \$2.5 million or 19%, from \$12.9 million in 1HY2018 to \$10.4 million in 1HY2019. This is mainly due to a lower number of motor vehicles traded. The decrease is partially offset by revenue growth from the vehicle financing business.

Gross profit margin

The Group's gross profit margin increased by 8%, from 31% in the prior period to 39% in 1HY2019. This is mainly due to higher profit margin in the Non-Accessories segment as a result of a change in sales mix aforementioned.

Other material variances

Finance costs

The increase in finance costs by \$0.7 million or 126% is mainly due to an increase in finance lease liabilities in 1HY2019 as compared to 1HY2018.

Share of gain from equity-accounted associate

The \$1.0 million share of gain from equity-accounted associate in 1HY2019 is due to profit contribution from a property development project.

Statements of financial position

Group

Property, plant and equipment

The \$3.3 million increase in property, plant and equipment is mainly due to new motor vehicles purchased in 1HY2019 for the rental business.

Investment in an associate

The \$0.9 million decrease in investment in an associate is mainly due to dividends of \$1.9 million received in 1HY2019. This is partially offset by a \$1.0 million profit contribution from the associate's property development project.

Finance lease receivables (current and non-current)

The \$14.2 million increase in finance lease receivables (current and non-current) is mainly due to new financing loans for motor vehicles granted in 1HY2019.

Inventories

The \$0.6 million decrease in inventories for 1HY2019 is mainly due to a lower stock level of motor vehicles maintained in 1HY2019, in line with the lower motor vehicle sales demand.

Other assets

The \$2.0 million increase in other assets is mainly due to deposit placed for land acquisition in Thailand for future expansion of production capacity and capabilities.

Trade and other payables

The \$2.3 million decrease in trade and other payables is mainly due to the decrease in other payables to an associate.

Other financial liabilities (current and non-current)

The \$19.2 million increase in other financial liabilities (current and non-current) is mainly due to an increase in motor vehicle related finance leases, which is in line with the aforementioned increase in finance lease receivables and property, plant and equipment.

Although certain other financial liabilities amounting to \$47.0 million are not scheduled to be repaid within 12 months from 1HY2019, they have been classified as "current" because the loan facility agreements include a repayment on demand clause which gives banks the right to override the scheduled loan repayment dates and demand repayment at any time without cause. Excluding this, current liabilities amount to \$35.7 million which are adequately covered by the Group's current assets of \$68.7 million. In addition, the Group's total assets are in excess of its total liabilities.

Company

Investment in an associate

The \$1.9 million decrease in investment in an associate is due to dividends of \$1.9 million received in 1HY2019.

Trade and other payables

The \$4.0 million decrease in trade and other payables is mainly due to:

- i) a \$3.2 million decrease in other payables to an associate.
- ii) a \$0.9 million decrease in related company payables.

Other financial liabilities (current)

The \$1.6 million increase in other financial liabilities (current) is due to the increase in the utilisation of bank trust receipts in 1HY2019.

Consolidated statement of cash flows

The Group's cash and cash equivalents in 1HY2019 (\$18.3 million) remained consistent as compared to FY2018 (\$18.4 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 period.

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 period and the next 12 months.

The Group continues to face challenges given the uncertainties in the global economic climate. The Group shall continue its efforts in managing costs, growing existing markets and pursuing new business opportunities.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended);

No.

(b) Corresponding period of the immediately preceding financial year.

	Group and Company	
	1HY2019 Cents	1HY2018 Cents
Type of dividend		
Interim	Nil	0.5
Tax rate	Not applicable	Exempt (One-Tier)

(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 the 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 period ended 31 August 2018.

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 Confirmation by directors

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the interim financial results for the period ended 31 August 2018 to be false or misleading, in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

Undertakings have been procured from all directors and executive officers under Rule 720(1).

16 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.

Update on the use of net proceeds of \$5,657,000 (the "Net Proceeds") raised from the placement of 50,208,700 new ordinary shares at \$0.11385 each in the capital of the Company on 6 July 2017:

Intended Uses	Net Proceeds Allocated		Net Proceeds Used To Date	Balance as at 31 Aug 2018
	%	S\$'000	S\$'000	S\$'000
Working Capital:				
Purchase of raw materials and inventories	70	3,960	3,960	-
Employee payroll costs	30	1,697	1,697	-
Total	100	5,657	5,657	-

ON BEHALF OF THE BOARD

YAP KIAN PENG
EXECUTIVE DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER
8 OCTOBER 2018