



Corporation Limited

NEWS RELEASE

JACKSPEED CORPORATION LIMITED POSTS 22% RISE IN INTERIM NET PROFIT TO \$ 1.1 MILLION

Half-Year Highlights:

- Revenue up 39% to \$17.4 million; Net profit up 22% to \$1.1m;
- Revenue growth the highest from the OEM segment – up from \$0.6 million to \$4.2 million;
- Strong distribution contribution from Europe;
- More than doubled total manufacturing capacity in mid-2004;
- Aviation division progressing strongly with Approved Vendor and Preferred Partner status;
- Strategic focus to expand European distribution network.

Singapore, October 11, 2004 – Mainboard-listed Jackspeed Corporation Limited ("Jackspeed"), a manufacturer of custom-fitted automotive leather trim for car seats and leather wrapping for automotive interior products, has posted a 22% increase in net profit to \$1.1 million for the first-half of the financial year ending 28 February 2005.

During the same period, Group revenue rose 39% to reach \$17.4 million. The distributor market, which is the largest revenue contributor, enjoyed better contributions from the European market. Distributor market recorded a revenue growth of 18% to \$11.88 million.

The OEM division showed the highest increase in sales growth from \$0.6 million to \$4.2 million. The strong performance of its OEM segment was due mainly to the recognition of 6 months of contributions from the Malaysian OEM customers compared to just 2 months in the previous period. In addition to this, higher contributions were recognized from the Thailand unit, which was converted from an associate to a subsidiary.

Revenue from the retail and after market saw a S\$0.6m decline due to lower demand from Singapore and the Middle-east.

Balance sheet has been strengthened over the past six months with gross gearing easing from 0.18x to 0.16x. Current ratio improved from 2.6x to 3.0x.

In line the expanded number of shares post-IPO, interim EPS was at 0.85 cent compared to 0.93 cent a year ago. Net asset value per share (NAV/share) improved from 13.18 cents as at 29 February 2004 to 13.26 cents as at 31 August 2004.

An interim gross dividend of 0.3 cent per share has been proposed.

Commenting on the results, Mr Jackson Liew, Chairman and CEO of Jackspeed said, "Our improved performance reflects our strategic focus on the European distribution market as well as OEM markets in Malaysia and Thailand - which we believe will continue to be buoyant in view of the robust automotive market as a result of economic growth in these respective regions. With the implementation of AFTA, the growth prospects for the OEM market in South-east Asia are better as the automotive manufacturers stand to benefit from significant tariff reduction.

Recently, Jackspeed secured its third and single largest contract worth RM55 million from Malaysia's Naza Automotive Manufacturing Sdn Bhd ("NAM") to supply leather trim for NAM's new MPV project for three years, starting in November 2004. Going forward, we expect to secure more OEM contracts from existing and new customers. As at mid-2004, we have more than doubled our total manufacturing capacity with room for further expansion with the completion of our new facility in Gurun, Kedah by end 2004. This plant will be able to expand its capacity by about 2,500 sets/month in the future.

Our aviation division recently received a boost with our appointment as an Approved Vendor of ST Aerospace Engineering Pte Ltd and Preferred Partner of Hawker Pacific Asia Pte Ltd. In addition to this, we expect to achieve the ISO9001:2000 aviation certification by end-November 2004 and will proceed to obtain the AS9000 certification.

The Approved Vendor and Preferred Partner status and aviation certifications will put us in a good position to secure aviation interior refurbishment and maintenance contracts. The market is likely to expand with more budget airlines emerging in the South-East Asian region.

Looking ahead, we will further expand our markets especially in Europe where we intend to grow the market share of our distributors. In our existing markets, we will further penetrate the OEM markets in Malaysia and Thailand and develop our distribution presence in Singapore and Australia."

Barring unforeseen circumstances, the Directors continue to be optimistic that the Group's performance for FY2005 will be better than the last financial year.

About Jackspeed Corporation:

Established in 1993, Jackspeed started as a trader of automobile parts and accessories. Since then, Jackspeed has grown into a manufacturer of automotive leather trim with one production facility each in Singapore, Malaysia, Thailand and Indonesia to serve a growing clientele.

In addition to the manufacture of custom-fitted automotive leather trim for car seats, it also provides leather wrapping for other automotive interior products, such as steering wheels, consoles, gear-shift knobs and hand brakes, as well as leather trim and leather wrapping for non-automotive interior products in the aviation and marine industries.

Its subsidiary, Jackspeed Leather Special Manufacturer (M) Sdn. Bhd and Jackspeed Industries Sdn Bhd, are a tier-one supplier to Naza Automotive Manufacturing Sdn. Bhd. and Honda in Malaysia. Its other subsidiary, Jackspeed Leather Manufacture (Thailand) Co., Ltd., is a tier-one supplier to the Ford Group.

Leveraging on its strengths in design and its high product and service quality standards, Jackspeed has established itself as a recognised brand name in the industry. Jackspeed was one of the winners of the “Singapore Promising Brand Award” in 2003 organised by the Association of Small and Medium Enterprises and Lianhe Zaobao, an award given to selected companies in Singapore whose brand is associated with good value and quality products and services.

Jackspeed has achieved several international certifications and awards including the TS 16949:2002 (Technical Standard for the Automotive Industry), ISO 9001:2000, and TUV Krafftahrt GmbH (for side airbag safety). Jackspeed has also achieved ISO 14001:1996 (for environmental management system) and OHSAS 18001 (for occupational health and safety management system).

Jackspeed is an Approved Vendor of ST Aerospace Engineering Pte Ltd and a Preferred Partner of Hawker Pacific Asia Pte Ltd.

Jackspeed has established a profitable track record in the last 4 financial years. Group revenue rose from S\$14.59 million in FY01 to S\$26.94 million in FY04. Profit before tax increased from S\$1.65 million in FY01 to S\$2.62 million in FY04.

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