



Corporation Limited

NEWS RELEASE

JACKSPEED CORPORATION LIMITED POSTS 24.6% RISE IN FULL-YEAR

NET PROFIT TO \$2.5 MILLION

Revenue growth of 21.8% to \$32.8 million

Full-Year Highlights:

- **Highest revenue growth of 138.5% from the OEM segment**
- **Strong 40.8 % growth in revenue contribution from Europe at \$13.9 million**
- **Final gross dividend of 0.6 cent per share has been proposed.**
- **Strategic focus to expand European distribution network and further penetrate the OEM markets in Malaysia and Thailand;**

Singapore, April 28, 2005 – Mainboard-listed Jackspeed Corporation Limited ("JCL"), a manufacturer of custom-fitted automotive leather trim for car seats and leather wrapping for automotive interior products, today announced a 24.6% increase in net profit to \$2.5 million for the financial year ended 28 February 2005 and a 21.8% increase in revenue to \$32.8 million.

The higher profit was due mainly to stronger growth in revenue, which outstripped the increase in other costs and expenses, as well as the absence of higher overheads to overcome the capacity constraint in the previous financial year.

Strong Growth in European Distributor Market and OEM Markets in Malaysia and Thailand

The distributor market, the largest revenue contributor, recorded a revenue growth of 5.1% to \$21.5 million, with Europe contributing the majority of it. Europe's revenue grew by more than 40.8% from \$9.9 million to 13.9 million, largely due to the increasing lifestyle preference for leather seats in cars. By working with Jackspeed, distributors are now able to supply cars originally furnished with fabric-covered car seats, with custom-fitted automotive leather

trims in Europe with great success. In addition, the distributor market's profit before other credits, interest, associates and tax (PBIAT) margin improved from 13.4% to 17.8%.

Sales of the OEM division topped the chart, up 138.5% to \$ 8.42 million. The strong performance of its OEM segment was due mainly to strong performances in the Malaysia and Thailand markets, including being awarded a three-year contract from Malaysia's Naza Automotive Manufacturing Sdn Bhd worth RM55 million and strong continued support from the Ford Group in Thailand.

JCL's subsidiaries, Jackspeed Leather Special Manufacturer (M) Sdn. Bhd and Jackspeed Industries Sdn Bhd, a 70% owned subsidiary (previously 100% owned), 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.

By acquiring and managing 100% of the Thailand subsidiary, this financial year's results took into account the full contribution of the fast growing Thailand OEM segment, as compared to last financial year, where Jackspeed only acquired 80% of the Thailand unit at the end of the financial year.

Revenue from the retail and after market fell 7.5% to \$2.5 million owing to lower demand from Singapore. Revenue from non-automotive saw a \$0.15 million increase as compared to last financial year with more contracts from the Aviation division.

High Dividend Yield with Strong Financial Position

A final gross dividend of 0.6 cent per share has been proposed. This is in addition to the interim gross dividend of 0.3 cent per share announced on 11 October 2004, bringing a total dividend yield of about 4 %. In line with better earnings, full-year EPS increased from 1.82 cents to 1.88 cents. Net asset value per share (NAV/share) improved from 13.18 cents as at 29 February 2004 to 14.17 cents as at 28 February 2005.

The company's financial position has also improved with the current ratio up from 2.6 to 2.7 times. Cash flow from operations rose from \$1.5 million to \$3.3 million owing largely to better operating profits, a shorter trade cycle, lower interest cost and the absence of associate losses. With better cash flows, Jackspeed was able to pare down its bank borrowings from \$6.0 million to \$2.8 million. As a result, gross gearing (including trade debt) improved from 0.35 to 0.15 times.

Commenting on the results, Mr Jackson Liew, Chairman and CEO of JCL said, "Our improved performance reflects our strategic focus on the European distributor 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.”

Highlights: Year in Review

- **Achievement of ISO9001:2000 Aviation Certification:**

One of the highlights of FY05 is Jackspeed’s achievement of the ISO9001:2000 aviation certification in October 2004.

“The aviation certifications and our existing Approved Vendor and Preferred Partner status with ST Aerospace Engineering Pte Ltd and Hawker Pacific Asia Pte Ltd respectively will put us in a good position to secure aviation interior refurbishment and maintenance contracts in a market that is currently seeing an expansion with more budget airlines emerging in the South-east Asian region,” said Mr Liew.

- **Awarded RM55 million contract by Naza Automotive Manufacturing Sdn Bhd:**

In addition, Jackspeed was also awarded a RM55million contract by Naza Automotive Manufacturing Sdn Bhd (“NAM”) to provide leather trims for NAM’s new MPV project for three years, starting from November 2004.

”This win is a strong testament of the industry’s confidence in Jackspeed’s high standards of quality and delivery. With NAM as the country’s only car manufacturer producing MPVs and the increasing popularity of MPVs in the region, this is expected to pave the way for more growth in the already burgeoning Malaysian Automotive industry. In addition, the implementation of AFTA and tariff reduction, is expected to open up new opportunities for Jackspeed, which already has a stronghold in the Malaysian automotive industry.” added Mr Liew.

Outlook: Continued Growth in OEM Market

Going forward, the Group is working towards securing higher growth in the OEM market.

In preparation for the tremendous growth potential of the OEM markets in the region, Jackspeed has completed its new manufacturing facility in Gurun, Kedah, Malaysia, which will increase its already doubled manufacturing capacity since mid 2004, by more than 30%.

Barring unforeseen circumstances, the Directors continue to be optimistic that the future performance of the Group will be better than that of the last financial year.

About Jackspeed Corporation:

Established in 1993, Jackspeed has established itself as a recognised brand name in the industry as a manufacturer of automotive leather trim, with one production facility each in Singapore, Malaysia, Thailand and Indonesia. Counting the Ford Group in Thailand, Naza Automotive Manufacturing Sdn. Bhd. and Honda in Malaysia amongst its clientele, Jackspeed has received numerous awards in recognition for its strengths in design and high quality product and service quality standards.

Most recent accolades include being a winner of the “Enterprise 50” and the “Singapore Promising Brand Award” in 2003. Jackspeed is an Approved Vendor of ST Aerospace Engineering Pte Ltd, a Preferred Partner of Hawker Pacific Asia Pte Ltd and an Authorised Vendor for AirAsia Berhad. Listed on the mainboard of the Singapore Exchange since November 2003, Jackspeed posted a group revenue and net profit of S\$32.8 million and S\$2.5 million in FY2005 respectively. More information on Jackspeed and its subsidiaries can be obtained from its website at www.jackspeed.com

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