

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
(OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES)  
REGULATIONS 2005**

**OFFER INFORMATION STATEMENT**

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This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.

A copy of this offer information statement ("Offer Information Statement") has been lodged with the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Offer Information Statement. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the securities being offered for investment.

In-principle approval has been obtained from the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing of and quotation for the Placement Shares (as defined herein) on the Official List of the SGX-ST.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. In-principle approval granted by the SGX-ST for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST is not to be taken as an indication of the merits of Jackspeed Corporation Limited ("JCL" or "Company"), its Subsidiaries and the Shares (as defined herein).

No securities shall be allotted or allocated on the basis of this Offer Information Statement later than 6 months after the date of lodgement of this Offer Information Statement.

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**JACKSPEED CORPORATION LIMITED**

(Incorporated in the Republic of Singapore on 15 January 1993)  
(Company Registration Number 199300300W)

- (1) **PROPOSED PLACEMENT TO AAPICO HITECH PUBLIC COMPANY LIMITED OF 2,589,093 NEW ORDINARY SHARES AT S\$0.18 EACH IN THE CAPITAL OF JACKSPEED CORPORATION LIMITED; AND**
- (2) **PROPOSED PLACEMENT TO MR ANG KIAN LEE OF 647,273 NEW ORDINARY SHARES AT S\$0.18 EACH IN THE CAPITAL OF JACKSPEED CORPORATION LIMITED.**

**DATE OF LODGEMENT: 27 JUNE 2007**

<p><b>THIS OFFER INFORMATION STATEMENT HAS BEEN PREPARED SOLELY IN RELATION TO THE SUBSCRIPTION OF THE PLACEMENT SHARES BY THE PLACEES AND SHALL NOT BE RELIED UPON BY ANY OTHER PERSON AND FOR ANY OTHER PURPOSE.</b></p>
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## DEFINITIONS

In this Offer Information Statement, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:-

### General

<i>"AAPICO"</i>	: AAPICO Hitech Public Company Limited
<i>"AAPICO Shares"</i>	: The 2,589,093 new Shares in the capital of the Company to be issued at S\$0.18 per Share pursuant to the First Placement
<i>"AGILE"</i>	: Agile Consulting Pte. Ltd.
<i>"After Market"</i>	: A market made up of car traders, car accessories traders and parallel importers
<i>"Ang Shares"</i>	: The 647,273 new Shares in the capital of the Company to be issued at S\$0.18 per Share pursuant to the Second Placement
<i>"Authority" or "MAS"</i>	: The Monetary Authority of Singapore
<i>"CDP"</i>	: The Central Depository (Pte) Limited
<i>"Car Distributor Market"</i>	: A market made up of car distributors who have the right to distribute a certain brand of automobiles on behalf of the respective automobile manufacturers
<i>"Companies Act"</i>	: The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<i>"Company" or "JCL"</i>	: Jackspeed Corporation Limited
<i>"Control"</i>	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<i>"Directors"</i>	: The directors of the Company as at the date of this Offer Information Statement
<i>"EPS"</i>	: Earnings per Share
<i>"FY"</i>	: Financial year ended or ending 28 February or in a leap year 29 February (as the case may be)
<i>"First Placement"</i>	: The proposed placement to AAPICO of 2,589,093 new Shares in the capital of the Company at the Issue Price, which will be made pursuant to the approval of the Shareholders granted at the extraordinary general meeting of the Company held on 26 June 2006
<i>"First Tranche Subscription"</i>	: Has the meaning ascribed to it in Part IV Section 9(g) of this Offer Information Statement
<i>"Group"</i>	: The Company and its Subsidiaries
<i>"Issue Price"</i>	: S\$0.18 for each new Share

<i>"JVHPL"</i>	: Jackson Vehicle Holdings Pte. Ltd.
<i>"JVS"</i>	: Jackson Vehicle (Singapore) Pte. Ltd.
<i>"JVT"</i>	: J.V. (Thailand) Co., Ltd
<i>"Latest Practicable Date"</i>	: 25 June 2007, being the latest practicable date prior to the lodgement of this Offer Information Statement
<i>"Listing Manual"</i>	: The listing manual of the SGX-ST, as amended from time to time
<i>"Mr Ang"</i>	: Mr Ang Kian Lee
<i>"Market Day"</i>	: A day on which the SGX-ST is open for trading in securities
<i>"NTA"</i>	: Net tangible assets
<i>"Naza"</i>	: Naza Automotive Manufacturing Sdn Bhd
<i>"OEM"</i>	: Original equipment manufacturer
<i>"OEM Market"</i>	: A market made up of automobile manufacturers and their contract manufacturers
<i>"Placement Shares"</i>	: The AAPICO Shares and the Ang Shares
<i>"Placements"</i>	: The First Placement and the Second Placement
<i>"Previous AAPICO Subscription"</i>	: Has the meaning ascribed to it in Part IV Section 9(g) of this Offer Information Statement
<i>"Previous Ang Subscription"</i>	: Has the meaning ascribed to it in Part IV Section 9(g) of this Offer Information Statement
<i>"SGX-ST"</i>	: Singapore Exchange Securities Trading Limited
<i>"Second Placement"</i>	: The proposed placement to Mr Ang of 647,273 new Shares in the capital of the Company at the Issue Price, which will be made pursuant to the approval of the Shareholders granted at the extraordinary general meeting of the Company held on 26 June 2006
<i>"securities account"</i>	: Securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>"Securities And Futures Act" or "SFA"</i>	: Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<i>"Share Purchase Agreement"</i>	: The conditional share purchase agreement dated 14 February 2006 for the sale of 100% of the issued and paid-up capital of JVHPL by the Vendors to the Company, as varied by the Supplemental Share Purchase Agreement
<i>"Shareholders"</i>	: Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with the CDP are credited with the Shares

<i>“Shares”</i>	: Ordinary shares in the capital of the Company
<i>“Subscribers”</i>	: AAPICO and Mr Ang
<i>“Subscription Agreement”</i>	: The subscription agreement dated 15 February 2006 entered into between the Company and AAPICO in relation to the First Placement
<i>“Subscription Notice”</i>	: The subscription notice dated 15 February 2006 from Mr Ang to the Company in relation to the Second Placement
<i>“Subsidiaries”</i>	: The meaning ascribed to it in Section 5 of the Companies Act
<i>“Substantial Shareholder”</i>	: In relation to a Singapore incorporated company that is listed on the SGX-ST, a person who has an interest in not less than 5% of the issued voting shares of that listed company
<i>“Supplemental Share Purchase Agreement”</i>	: The supplemental share purchase agreement entered into on 7 June 2006 by the Company with the Vendors varying the Share Purchase Agreement
<i>“Tan Chong Motor”</i>	: Tan Chong & Sons Motor Company (Singapore) Private Limited and Tan Chong Motor Sales Pte Ltd
<i>“Thailand”</i>	: Kingdom of Thailand
<i>“Vendors”</i>	: Liew Ham Chow, Liew Nyuk Ngoh, Ho Choon Meng and Lee Seng Jeow

#### **Currencies, Units and Others**

<i>“Euro”</i>	: The official currency of the European Union
<i>“GBP”</i>	: British Pound
<i>“RM”</i>	: Malaysian Ringgit
<i>“S\$” and “Singapore cents”</i>	: Singapore dollars and cents, respectively
<i>“sq m”</i>	: Square metres
<i>“THB”</i>	: Thailand Baht
<i>“US\$”</i>	: United States dollars
<i>“%” or “per cent”</i>	: Per centum or percentage

The expressions “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA or any modification thereof and used in this Offer Information Statement shall have the meaning assigned to it under the Companies Act, the SFA or such modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and to dates in this Offer Information Statement is to Singapore time and dates unless otherwise stated.

## PART II: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

### Directors

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**1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.**

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<b>Name of Directors</b>	<b>Address</b>	<b>Position</b>
Yeap Swee Chuan	99 Moo 1, Hitech Industrial Estate Tambol Ban Lane Amphur Bang Pa-In Ayuthaya 13160 Thailand	Non-executive Chairman
Liew Ham Chow	11 Jalan Tanah Rata Tanah Merah Green Singapore 465568	Executive Director and Chief executive officer
Voo Jun Hing	Blk 2 Bedok South Avenue 1 #09-881 Singapore 460002	Executive Director
Ang Kian Lee	18 Bowmont Gardens Singapore 459867	Non-Executive Director
Chang Yeh Hong	14 Mount Elizabeth #19-04 Elizabeth Towers Singapore 228512	Independent Director
Lee Kim Lian Juliana	Blk 66 Telok Blangah Road #06-14 Singapore 098830	Independent Director

### Advisers

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**2. Provide the names and addresses of -**  
**(a) the issue manager to the offer, if any;**  
**(b) the underwriter to the offer, if any; and**  
**(c) the legal adviser for or in relation to the offer, if any.**

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Manager	:	Not applicable
Placement Agent	:	Not applicable
Legal Adviser	:	Shook Lin & Bok 1 Robinson Road #18-00 AIA Tower Singapore 048542

## Registrars and Agents

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**3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.**

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Singapore Share Registrar and Share Transfer Agent : M&C Services Private Limited  
138 Robinson Road  
#17-00  
The Corporate Office  
Singapore 068906

Receiving bankers : Not applicable

## PART III: OFFER STATISTICS AND TIMETABLE

### Offer Statistics

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**1. For each method of offer, state the number of the securities being offered.**

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Placement : (1) 2,589,093 new Shares to AAPICO representing approximately 1.40% of the existing number of Shares as at the date of lodgement of this Offer Information Statement; and

(2) 647,273 new Shares to Mr Ang representing approximately 0.35% of the existing number of Shares as at the date of lodgement of this Offer Information Statement.

Status of Placement Shares : The Placement Shares, when allotted and issued and fully paid, will rank *pari passu* in all respects with and carry all rights similar to the existing Shares save that it shall not rank for any dividends, rights, allotments or other distribution that may be declared or paid, on the record date for which falls on or before the date of issue of the Placement Shares.

### Method and Timetable

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**2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to -**

(a) the offer procedure; and

(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

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Please see below.

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**3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**

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Not applicable.

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**4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

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Upon the completion of the subscription of the Placement Shares, the Subscribers shall pay to the Company the aggregate consideration by way of a bank draft for the full sum of the aggregate consideration drawn on a bank registered in Singapore.

Under the Subscription Agreement, it is provided that the completion of the subscription of the AAPICO Shares shall take place no later than five business days from the date of notice from the Company given pursuant to Clause 3.2 of the Subscription Agreement, stating the number of new Shares constituting the AAPICO Shares and the amount payable pursuant to the allotment and issue of the AAPICO Shares to AAPICO.

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**5. State, where applicable, the methods of and time limits for -**

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
  - (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**
- 

Upon the completion of the subscription of the Placement Shares, the Company shall allot and issue the Placement Shares to the CDP for the securities account of each of the Subscribers and instruct the CDP to credit their respective securities accounts maintained with the CDP.

The Company shall also deliver or procure to be delivered to the CDP the share certificates in respect of the Placement Shares in the name of CDP.

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**6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

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Not applicable.

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**7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

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The Company will announce the completion of the First Placement and the Second Placement on SGXNET accordingly.

#### **PART IV: KEY INFORMATION**

##### **Use of Proceeds from Offer and Expenses Incurred**

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**1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**

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Please see below.

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- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**
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The net proceeds of the First Placement and Second Placement, after deducting estimated expenses of approximately S\$55,000 pertaining to the Placements, are estimated to be approximately S\$527,545.

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- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.**
- 

The Company intends to use the net proceeds from the Placements for the Group's working capital purposes.

Pending the deployment of the net proceeds for the purposes mentioned above, the net proceeds may be placed as deposits with financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

In the reasonable opinion of the Directors, no minimum amount must be raised from the Placements. Although no minimum amount must be raised by the Company from the Placements in order to provide for the item above, such amount is proposed to be provided out of the issue of the Placement Shares, or in the event the First Placement and/or the Second Placement is cancelled, out of the Company's internally generated funds, external borrowings and other fund raising exercises.

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- 4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**
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The Company intends to use:

- (a) 90.6% of S\$582,545, being the gross proceeds (the "Gross Proceeds") raised from the Placements, for the purpose stated in Part IV Section 3 above; and
- (b) 9.4% of the Gross Proceeds to pay for expenses incurred in connection with the Placements.

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- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**
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Not applicable.

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- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**
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Not applicable.

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- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
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Not applicable.

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- 8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
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The commission of 5% of the Issue Price for each Placement Share is payable by the Company to AGILE in respect of the Placement Shares for which AGILE has procured the Subscribers.

#### **Information on the Relevant Entity**

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- 9. Provide the following information:**
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Please see below.

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- 9a. the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);**
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Registered office : 47 Loyang Drive, Singapore 508955  
Telephone number : (65) 6788 2088  
Facsimile number : (65) 6789 0020

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- 9b. the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**
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#### **Business of the Company and the Group**

The Company was incorporated in Singapore on 15 January 1993 as an exempt private limited company under the name of "Jack Asia Marketing Pte Ltd", which was subsequently changed to "Jackspeed Leather Special Pte Ltd" on 24 February 1995. On 10 November 2003, it was converted into a public limited company and changed its name to "Jackspeed Corporation Limited". The principal business activities of the Group relate to the production of custom-fitted automotive leather trim for car seats and accessory parts.

The Group also provides leather wrapping for other automotive interior products, such as steering wheels, consoles, gear shift knobs and hand brakes. In addition, the Group also provides leather trim and leather wrapping for non-automotive interior products in the aviation and marine industries. To a lesser extent, the Group provides custom-fitted vinyl and fabric covering and wrapping for the interior products of both automobiles and non-automobiles. In respect of the supply of automotive leather trim, the Group provides their customers with a full range of services covering the selection of raw materials, provision of suitable designs to meet their customers' requirements, production of the leather trim at their production facilities and installing them in their customers' vehicles. While most of the orders they receive require installation services, there may be some orders which do not require such services.

The Group provides its products and services to four markets, namely the OEM, Car Distributor, Retail, Aviation and Marine and After Markets.

As at the Latest Practicable Date, the Subsidiaries of the Company and their principal activities are as follows:

<b>Name of Subsidiary</b>	<b>Country of Incorporation</b>	<b>Effective Equity Interest</b>	<b>Principal Activities</b>
Jackspeed Aviation Pte Ltd <sup>(1)</sup>	Singapore	100%	Production and sale of leather and fabrics covers and interior refurbishment for use in aviation and marine industries
Katsuya International Pte. Ltd.	Singapore	51%	Investment holding
Jackson Vehicle Holdings Pte Ltd	Singapore	100%	Investment holding
Jackspeed Leather Special Manufacturer (M) Sdn. Bhd.	Malaysia	100%	Production and sale of automotive leather trim
PT. JLS Indonesia	Indonesia	99.5%	Production and sale of automotive leather trim
Jackspeed Leather Manufacture (Thailand) Co., Ltd	Thailand	100%	Production and sale of automotive leather trim
Jackspeed Europe N.V.	Belgium	100%	Marketing of automotive leather trims and accessories
Jackspeed China Development Pte. Ltd.	Singapore	100%	Investment holding
<u>Held by Subsidiaries</u>			
Jackspeed Industries Sdn. Bhd.	Malaysia	100% <sup>(2)</sup>	Production and sale of automotive leather trim
Jackspeed Vehicle (Singapore) Pte Ltd	Singapore	100% <sup>(3)</sup>	Supply and manufacture of automotive accessories
J.V (Thailand) Co., Ltd	Thailand	100% <sup>(4)</sup>	Manufacture, assembly and supply of automobile component parts

- (1) Formerly known as "Jackspeed Aviation and Marine Pte Ltd".
- (2) The Company's 100% equity interest in Jackspeed Industries Sdn. Bhd. is held by Jackspeed Leather Special Manufacturer (M) Sdn. Bhd.
- (3) The Company's 100% equity interest in Jackspeed Vehicle (Singapore) Pte Ltd is held by Jackson Vehicle Holdings Pte Ltd.
- (4) The Company's 100% equity interest in J.V (Thailand) Co., Ltd is held by Jackson Vehicle Holdings Pte Ltd.

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**9c. the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –**

- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
  - (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**
- 

**General Development of the Group's business during FY2005, FY2006 and FY2007**

**General Development of the Group's business during FY2005**

During FY2005, the Group secured another three year contract with Naza to supply leather trim. During the same year, the new production facility in Gurun, Kedah, Malaysia was completed. In October 2004, Jackspeed Industries Sdn. Bhd. was appointed the authorised vendor of Air Asia Berhad and was awarded the first commercial aircraft contract by Air Asia Berhad to produce and supply leather seat covers for the aircrafts, cushions for the seats onboard the aircrafts and provide aircraft interior refurbishment services.

**General Development of the Group's business during FY2006**

In January 2006, the Group incorporated a wholly-owned subsidiary, Jackspeed Europe N.V. in Belgium to service the Group's customers in Europe and to perform marketing functions and undertake business development activities for the Group in Europe.

On 14 February 2006, the Group entered into a share purchase agreement to acquire the entire issued and paid-up share capital of JVHPL, an investment holding company which beneficially owns 100% of the issued and paid-up share capital of JVS and JVT. JVS and JVT are engaged in the business of supplying, assembling and installing automotive accessories such as alarm systems, parking sensors, sill plates as well as the engineering and assembly of automobile products such as stainless steel bars for pick ups, sport bar kits and side and rear protector bar kits.

On 15 February 2006, the Company entered into a strategic alliance agreement with AAPICO, a company incorporated in Thailand which was listed on the Stock Exchange of Thailand in 2002. In conjunction with the foregoing, the Company also entered into the Subscription Agreement with AAPICO on 15 February 2006. AAPICO will facilitate the introduction of the Company's products into Thailand, provide the operating know-how to the Group and ensure the broad distribution of the Group's products in Thailand.

**General Development of the Group's business during FY2007**

On 23 June 2006, the Group incorporated an associate company, Aapico Jackspeed Co Ltd, with its strategic partner Aapico Hitech Public Co Ltd in Thailand. The principal activities of the company will be manufacturing of automotive accessories.

On 12 October 2006, the Group's 51% owned subsidiary Katsuya International Pte Ltd acquired 45% in Katsuya Thailand Co Ltd

On 1 November 2006, the Group increased its paid up capital from SGD100,000 to SGD500,000 in its wholly owned subsidiary Jackspeed Aviation Pte Ltd.

On 14 December 2006, the Group increased its shareholdings in its subsidiary, Jackspeed Industries Sdn Bhd from 70% to 100%.

On 30 January 2007, the Group had deregistered Jackspeed Australia Pty Ltd and it ceased thereon to be a subsidiary of the Group. Jackspeed Australia Pty Ltd has ceased operation since 2005.

Save as disclosed herein and in all public announcements made by the Company, there has been no material change in the affairs of the Group since the end of FY2007.

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**9d. the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**

- (i) in the case of the equity capital, the issued capital; or**
  - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**
- 

As at the Latest Practicable Date, the share and loan capital of the Company comprise:

Issued and Paid-Up Share : S\$ 23,579,464.74 divided into 184,375,767 Shares  
Capital

Loan Capital : Nil.

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**9e. where –**

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
  - (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**
- 

Based on the Register of Substantial Shareholders maintained by the Company pursuant to Section 88 of the Companies Act as at the Latest Practicable Date, the Substantial Shareholders and the number of Shares in which they have an interest are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	(%)	Number of Shares	(%)
Liew Ham Chow <sup>(1)</sup>	37,514,695	20.35	18,500,000	10.03
Aapico Investment Pte. Ltd	34,933,334	18.95	-	-
Ang Kian Lee	8,733,333	4.74	-	-

Note:

(1) 18,500,000 Shares are held in the names of nominees.

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**9f. any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

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On 8 December 2006, the Group's wholly-owned subsidiary, Jackspeed Leather Special Manufacturer (M) Sdn Bhd ("JM"), commenced a legal action in the Johor Bahru High Court (the "Court"), Malaysia, against a number of JM's former employees and the companies in which they are presently directors and shareholders and where they are also employed for breaches of duties of confidence, breach of contract and conspiracy.

On 12 December 2006, JM was granted an "enter-and-search" order by the Court for its representatives and solicitors to enter certain premises where each of these former employees are employed to search for and seize documents. A restraining order was also placed on these former employees preventing them from using JM's confidential information until further notice from the Court.

The "enter-and-search" order was executed on 15 December 2006 resulting in the seizure of a certain quantity of documents (the "Documents"). On 2 March 2007, two other former employees of JM were added as defendants to the suit upon the application by JM.

On 27 June 2007, the Court will hear JM's applications for permission to use the Documents to commence an action in the Singapore High Court against one of the defendants and to restrain the defendant from removing his assets out of Malaysia.

Save as disclosed in this section, as at the date of this Offer Information Statement, the Directors are not aware of any litigation or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had in the last 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the Group's financial position or profitability.

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**9g. where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**

- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**
- (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and**

- 
- 1) Pursuant to the Subscription Agreement, AAPICO agreed to subscribe and pay for 34,933,334 new Shares at S\$0.18 per new Share. This subscription was completed on 7 July 2006 (the "Previous AAPICO Subscription").
  - 2) Pursuant to the Subscription Notice, Mr Ang agreed to subscribe and pay for 8,733,333 new Shares at S\$0.18 per new Share. This subscription was completed on 7 July 2006 (the "Previous Ang Subscription").
  - 3) On 14 February 2006 and 7 June 2006, the Company entered into the Share Purchase Agreement and the Supplemental Share Purchase Agreement with the Vendors respectively to acquire 10,000 ordinary shares in the capital of JVHPL. Subject to the fulfilment of the terms and conditions of the Share Purchase Agreement as varied by the Supplemental Share Purchase Agreement, the Company will acquire the entire issued and paid-up share capital of JVHPL for a maximum aggregate consideration of S\$14.55 million (the "Acquisition"). Part of the said consideration would be satisfied by the issuance of new shares in the Company ("Consideration Shares") to the Vendors. The Acquisition was approved by the Shareholders at the extraordinary general meeting of the Company held on 26 June 2006. Pursuant to the Share Purchase Agreement, 9,709,100 new Shares at S\$0.18 per new Share were issued and allotted to the Vendors on 30 May 2007, being the first tranche of the Consideration Shares (the "First Tranche Subscription").

Save as disclosed above, the Company has not issued any securities or equity interests for cash or services within the 12 months immediately preceding the Latest Practicable Date.

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- 9h. a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
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Save as disclosed below, neither the Company nor any of its Subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) during the 2 years immediately preceding the date of lodgement of this Offer Information Statement:

- (a) Share Purchase Agreement dated 14 February 2006 between the Company and the Vendors pursuant to which the Company acquired the entire issued and paid-up share capital of JVHPL at a maximum aggregate consideration of S\$14.55 million and the Supplemental Share Purchase Agreement dated 7 June 2006 to vary the terms of the Share Purchase Agreement;
- (b) Subscription Agreement dated 15 February 2006 between the Company and AAPICO in respect of the subscription of 34,933,334 new Shares and the APPICO Shares;
- (c) Subscription Notice dated 15 February 2006 from Mr Ang to the Company in respect of the subscription of 8,733,333 new Shares and the Ang Shares;
- (d) Strategic Alliance Agreement dated 15 February 2006 between the Company and AAPICO; and
- (e) Letter of confirmation between the Company and AGILE dated 7 July 2006.

## **PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

### **Operating Results**

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- 1. Provide selected data from -**
- (a) **the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and**
  - (b) **any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.**
- 2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:**
-

<b>(a)</b>	<b>dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;</b>
<b>(b)</b>	<b>earnings or loss per share; and</b>
<b>(c)</b>	<b>earnings or loss per share, after any adjustment to reflect the sale of new Securities.</b>

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

### CONSOLIDATED INCOME STATEMENT

	<u>Group</u>		
	Year ended 28 February 2005 \$'000	Year ended 28 February 2006 \$'000	Year ended 28 February 2007 \$'000
<b>Revenue</b>	32,815	31,797	43,738
Financial income	190	302	816
Financial expense	(208)	(113)	(249)
Changes in inventories	(410)	(1,143)	1,518
Raw materials purchases and sub-contractors charges	(16,333)	(15,226)	(25,035)
Employee benefits expense	(7,368)	(7,766)	(10,739)
Depreciation and amortisation	(1,168)	(1,024)	(1,521)
Other expenses	(3,776)	(3,273)	(4,675)
Other credits / (charges)	(247)	(27)	70
Share of loss of associates	-	-	(106)
<b>Profit before tax</b>	3,495	3,527	3,817
Income tax expense	(1,015)	(915)	(947)
<b>Profit for the year</b>	2,480	2,612	2,870
<b>Attributable to:</b>			
Equity holders of the company	2,467	2,612	2,941
Minority interest	13	-	(71)
	2,480	2,612	2,870
EPS (Singapore cents)	1.88	1.99	1.84
Weighted average number of Shares for EPS calculation	131,000,000	131,000,000	160,111,111
Dividend per Share, Net of tax (Singapore cents)	0.72	0.91	1.0
EPS after the Placements (Singapore cents) <sup>(1)(2)(3)</sup>	1.31	1.39	1.57
Weighted average number of Shares after the Placements for EPS calculation <sup>(1)(2)(3)</sup>	187,612,133	187,612,133	187,612,133

## CONSOLIDATED INCOME STATEMENT

<u>Group</u>		
Year ended 28 February 2005 \$'000	Year ended 28 February 2006 \$'000	Year ended 28 February 2007 \$'000

Note:

- (1) Based on the assumption that the Previous AAPICO Subscription and Previous Ang Subscription had been completed on 1 March 2004.
- (2) Based on the assumption that the First Tranche Subscription had been completed on 1 March 2004.
- (3) Based on the assumption that the Placements had been completed on 1 March 2004.

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### 3. In respect of –

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

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### Performance Review for FY2006 vs FY2005

#### Revenue

The Group's revenue decreased by approximately S\$1.02 million or 3.1% from approximately S\$32.82 million in FY2005 to approximately S\$31.80 million in FY2006. The car distributor segment remained the largest revenue generator followed by the OEM, Retail and After Market, and non-automotive segments, each contributing approximately 54.5%, 35.8% and 9.7% respectively to the Group's revenue in FY2006.

During FY2006, sales in the OEM segment increased by approximately S\$2.95 million or 35.0%. This was due to increased sales in Malaysia and Thailand. The aggregate sales in the non-automotive and Retail and After Market segments saw an increase of approximately S\$0.21 million. However, sales in the car distributor segment decreased by approximately S\$4.17 million or 19.4% as there was a lower demand from the Car Distributor Market in Europe. Such decrease in demand resulted from (i) the delayed release of new car models in the fourth quarter of FY2006 and (ii) the phasing out of car models for which the Group was supplying its products.

#### Financial Income

The Group's financial income increased by approximately S\$0.11 million or 57.9%, from approximately S\$0.19 million in FY2005 to S\$0.30 million in FY2006. This was attributed to the higher interest income from the placement of fixed deposits and gains in foreign exchange rates as a result of the appreciation of the RM against the US\$.

#### Financial Expense

The Group's financial expense decreased by approximately S\$0.10 million or 47.6%, from S\$0.21 million in FY2005 to S\$0.11 million in FY2006. The decrease was attributed to lower interest in respect of trade bills.

#### **Changes in inventories, raw material purchases and sub-contractor charges**

The Group's inventories, raw material purchases and sub-contractor charges decreased by approximately S\$0.37 million or 2.2% from approximately S\$16.74 million in FY2005 to approximately S\$16.37 million in FY2006. The decrease was attributed to a decrease in revenue in FY2006.

#### **Employee benefits expense**

The Group's employee benefits expense increased by S\$0.40 million or 5.4% from S\$7.37 million in FY2005 to S\$7.77 million in FY2006. This was due to an increase in demand for leather trim installation services in the OEM Market, resulting in an increase in charges being paid to the employees of the Group.

#### **Depreciation**

The Group's depreciation decreased by approximately S\$0.15 million or 12.8% in FY2006 from approximately S\$1.17 million in FY2005 to S\$1.02 million in FY2006. This decrease was because there were no major acquisitions of plant or equipment in FY2006.

#### **Other expenses**

The other expenses of the Group decreased by approximately S\$0.51 million or 13.5%, from approximately S\$3.78 million in FY2005 to approximately S\$3.27 million in FY2006. The decrease was attributed to cost control measures undertaken by the Group in FY2006.

#### **Other charges**

The Group's other charges decreased by approximately S\$0.22 million or 88.0% from approximately S\$0.25 million in FY2005 to approximately S\$0.03 million in FY2006. The decrease in charges was due to lower provision for stock obsolescence in FY2006.

#### **Profit after income tax**

The Group's profit after income tax increased by approximately S\$0.13 million or 5.2% from approximately S\$2.48 million in FY2005 to approximately S\$2.61 million in FY2006. The increase was attributed to the increase in the production capacity of all plants and factories as well as the consolidation and streamlining of resources within the Group to achieve optimal utilisation of plants and equipment, enhanced efficiency in production and use of resources, as well as improved performance of the Group as a whole.

### **Performance Review for FY2007 vs FY2006**

#### **Revenue**

Group revenue for the year ended 28 Feb 2007 rose S\$11.93 million or 37.5% to S\$43.74 million from S\$31.80 million last year, driven by increased contributions from its newly acquired subsidiary, Jackson Vehicle Holdings Pte Ltd (JVH).

On a segmental basis, sales from leather trim and accessories accounted for 59% and 39% of the group's revenue respectively while the non-automobile segment contributed the remaining of 2%.

The leather trim distributor market remained the Group's largest revenue contributor posting S\$16.80 million in sales revenue for FY2007 – a marginal decline of 3.2% from S\$17.35 million recorded in FY2006.

The decrease was due to lower sales to Singapore distributor as certain car models were at the end of their product life cycles.

Following the successful completion of supply contracts to clients in FY2006, contributions from the Group's leather OEM market declined to S\$5.37 million for FY2007 from S\$11.37 million in FY2006.

The decline was attributed to the discontinued supply contract in June 2006 to a main customer in Thailand with whom we have been contracted for leather trim assembly since 2002.

The Group secured a contract for assembly jobs in July 2006 from a tier-1 supplier of vehicle seats to international brands such as Ford and General Motors in Thailand, and will help mitigate the decline in revenue. This contract also included options to subcontract the supplier's cut-and-sew programme to Jackspeed that would further boost the Group's sales revenue.

While the supply contract took effect in September 2006, orders during the period under consideration were less than the contracted amount. The option for sub-contracting the cut-and-sew programme to the Group was also put on hold. This resulted in under utilisation of capacity and affected profitability.

Following record car sales during 2004 and 2005, vehicle ownership penetration in Malaysia is currently amongst the highest in the world. This has resulted in saturation within the automotive market of the country and contributed to reduction in new vehicles sales for 2006. In light of the reduced consumption of new vehicles in Malaysia, production rates among car manufacturers also fell in 2006 leading to a decline in the Group's revenue from its Malaysian business from S\$ 7.10 million in FY2006 to S\$ 5.10 million in FY2007.

Contributions from its after-market and non-automotive sales segment grew significantly by S\$1.24 million or 40.3% to S\$4.32 million in FY2007 from S\$3.08 million a year earlier, underlined by increased revenue from the retail and after market segment in Singapore as well as growth from the Group's aviation division following the gradual emergence of Singapore as a regional aviation Maintenance, Repair and Overhaul centre ("MRO").

The accessories market segment that was acquired through the acquisition of JVH in February 2006 contributed significantly to the Group's revenue adding approximately S\$16.97 million to Group's total revenue. Contribution from this segment was driven by significant increases in sales of vehicle accessories in Thailand and Europe and was driven by the continued trend for vehicle customisation and accessorising in these two markets.

### **Profitability**

Profit for the year increased 9.9% to S\$2.87 million in FY2007 from S\$2.61 million in FY2006 riding on additional contributions from the Group's new automobile accessories segment contributing S\$1.54 million to net profits.

## Financial Position

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4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –
- (a) the most recent completed financial year for which audited financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period.
5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
  - (b) net assets or liabilities per share; and
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.
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The audited balance sheet of the Group as at 28 February 2007 is set out in the table below:

	As at 28 February 2007 S\$'000
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and cash equivalents	11,196
Assets classified as held for sale	1,311
Trade and other receivables	8,892
Inventories	6,713
<b>Total current assets</b>	<u>28,112</u>
<b>Non-current assets:</b>	
Investment in associates	799
Property, plant and equipment	7,728
Intangible assets	6,455
<b>Total non-current assets</b>	<u>14,982</u>
<b>Total assets</b>	<u><u>43,094</u></u>
<b>LIABILITIES AND EQUITY</b>	
<b>Current liabilities:</b>	
Short-term borrowings	51
Trade and other payables	6,561
Current tax payable	413
Current portion of long-term borrowings	98
Current portion of finance leases	107
<b>Total current liabilities</b>	<u>7,230</u>
<b>Non-current liabilities:</b>	
Deferred tax liabilities	520

	As at 28 February 2007 S\$'000
Other payables	3,837
Long-term borrowings	852
Finance leases	180
<b>Total non-current liabilities</b>	<u>5,389</u>
<b>Total liabilities</b>	<u>12,619</u>
<b>Equity:</b>	
Share capital	21,832
Other reserves	168
Retained earnings	7,618
Minority interest	857
<b>Total equity</b>	<u>30,475</u>
<b>Total liabilities and equity</b>	<u><u>43,094</u></u>
NTA per Share (Singapore cents)	13.26
Number of Shares	174,666,667
NTA per Share after the Placements (Singapore cents) <sup>(1)(2)(3)</sup>	12.35
Number of Shares after the Placements <sup>(1)(2)(3)</sup>	187,612,133

Note:

- (1) Based on the assumption that the Previous AAPICO Subscription and Previous Ang Subscription had been completed on 1 March 2006.
- (2) Based on the assumption that the First Tranche Subscription had been completed on 1 March 2006.
- (3) Based on the assumption that the Placements had been completed on 1 March 2006.

## Liquidity and Capital Resources

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- 6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of -**
- (a) the most recent completed financial year for which financial statements have been published; and**
  - (b) if interim financial statements have been published for any subsequent period, that period.**
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The audited cash flow statement of the Group for the year ended 28 February 2007 which provides an evaluation of its material sources and amounts of cash flows from operating, investing and financing activities is set out in the table below:

Year ended  
28 February 2007  
S\$'000

**Cash flows from operating activities:**

Year ended  
28 February 2007  
S\$'000

Profit for the year	2,870
Adjustments for:	
Depreciation and amortisation	1,521
Gain on disposal of plant and equipment	(81)
Income tax expense	947
Fair value adjustment on financial liabilities	163
Interest income	(268)
Interest expense	78
Share of loss of associates	106
Operating profit before working capital changes	5,336
Trade and other receivables	433
Inventories	(605)
Trade and other payables	(2,057)
Cash generated from operations	3,117
Income tax paid	(1,669)
<b>Net cash from operating activities</b>	1,448
<b>Cash flows from investing activities:</b>	
Interest received	268
Proceeds from disposal of plant and equipment	264
Purchase of plant and equipment	(617)
Acquisition of subsidiary net of cash acquired	(2,373)
Investment in associates	(873)
<b>Net cash used in investing activities</b>	(3,331)
<b>Cash flows from financing activities:</b>	
Dividends paid	(1,402)
Increase in borrowings	(951)
Interest paid	(78)
Capital contribution from minority shareholders of subsidiary	921
Proceeds from share issue, net of expenses	7,349
Decrease in finance lease	(446)
<b>Net cash from financing activities</b>	5,393
Exchange rate changes in consolidating foreign subsidiaries	135
<b>Net increase in cash and cash equivalents</b>	3,645
Cash and cash equivalents at beginning of year	7,551
<b>Cash and cash equivalents at end of year</b>	11,196

Cash and cash equivalent balance stood at S\$11.20 million. Net cash from financing activities amounted to \$5.39 million, following the placement of shares in July 2006 that raised S\$7.35 million and offset mainly by payment of dividends and finance leases during the year.

Net cash used in investing activities totalled S\$3.33 million in FY2007 following the acquisition of new subsidiaries, investments in associated companies and purchase of plant and equipment.

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- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
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The Directors are of the opinion that, after taking into consideration the Group's internal resources, present banking facilities and the estimated net proceeds from the Placements, the Group has sufficient working capital to meet its present requirements as at the date of lodgement of this Offer Information Statement.

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- 8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide -**
- (a) a statement of that fact;**
  - (b) details of the credit arrangement or bank loan; and**
  - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
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Not applicable.

#### **Trend Information and Profit Forecast or Profit Estimate**

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- 9. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
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#### **Industry Outlook and Prospects**

Market conditions in FY2008 for our leather seats business segment will continue to be challenging with rising leather prices resulting in reduced margins. To offset this price hike, we have initiated discussions with our customers to increase our selling prices and are also actively seeking alternative leather-based material for the manufacture of leather seats with a view to reducing our raw material expenses.

Europe is the largest automotive production region in the world and remains a core market for the Group's distribution business. Having established a significant presence in Europe through our Belgium sales office, we intend in FY2008 to adopt a cautious approach towards expansion into this geographical market by consolidating our foothold in the European car accessories market.

Southeast Asia continues to be one of the main drivers of the rapidly expanding Asian automotive industry with Thailand leading the region as its largest automotive manufacturer. Building on our strategic alliance with AAPICO Hitech Public Company Limited ("AAPICO"), one of Thailand's biggest car part suppliers, the Group aims to strengthen its foothold in the country through AAPICO Jackspeed Co Ltd, a joint-venture company formed from the

alliance. The Group will endeavour to increase its market share in the increasingly competitive Thai automotive market in FY2008.

The distribution of leather cladding remains our core business, and the Group is stepping up its marketing efforts to enhance our customer base.

The Group's aviation business recorded robust growth in FY2007, driven by Singapore's establishment as a regional hub for Aviation Maintenance Repair and Overhaul ("MRO"). The Group has been and will continue to lay the foundations for the Group's future expansion in the regional aviation sector. In this connection, the Group is studying, subject to approvals by the relevant authorities, the setting up of a SAR repair station in FY2008 that will allow the Group to provide specialised services to commercial air carriers. This presents the Group with potential for further business expansion and will widen our earnings base

### **Risk Factors**

To the best of the Directors' knowledge and belief, all the risk factors that are material to prospective investors in making an informed judgement on the Group (save for those which have already been disclosed to the general public, in particular, through, the Company's prospectus dated 10 November 2003 issued in conjunction with its initial public offering in Singapore, its annual report for FY2005, FY2006 and FY2007 SGXNET announcements made by the Company and the circular to the Shareholders dated 9 June 2006) are set out below.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. In the event that any of these risks materialises, the business, financial condition, results of operations and prospects of the Group could be materially and adversely affected. In any such case, the market price of the Shares and/or the Placement Shares could decline and you may lose all or part of your investment in the Shares and the Placement Shares.

### **RISKS RELATING TO THE INDUSTRY**

#### **The Group's profitability may be affected by shortages in raw materials or increases in raw material prices**

The raw materials used in the Group's production facilities are leather and accessory parts and consumables such as foam and thread which represented approximately 62.0% of our total operating costs in FY2007. The Group purchases its raw materials mainly from suppliers based in Singapore, Malaysia, Europe, Australia, Thailand and Hong Kong. The principal raw material used by the Group is leather and it accounted for approximately 88.3% of the Group's total raw materials and consumables used in FY2007. In the last financial year, the price of leather did not fluctuate significantly. However, in the event of any shortage in the supply of leather due to factors such as a sudden outbreak of epidemic in the cattle farming industry or an imposition of tariffs on imported leather, the price of leather may increase. As the Group does not have long-term supply agreements with its suppliers, the Group runs the risk of not being able to purchase sufficient supplies of raw materials to meet its production requirements and having to pay higher prices for additional supplies. The Group may not be able to pass on the increase of such costs to its customers in the OEM Market and the Car Distributor Market as the Group generally does not alter the prices agreed with its customers unilaterally once it has secured a project. Thus, any shortage in the supply of raw materials or any increase in raw material prices will have an adverse effect on the Group's financial performance.

#### **The Group faces competition from existing players and new entrants to the industry**

The automotive industry in the Car Distributor, OEM, Retail and After Markets is highly competitive and the Group faces competition from both local and foreign companies. As the barriers to entry in the automotive industry are low in the Car Distributor, Retail and After

Markets, new entrants to these segments of the industry will increase the competition faced by existing players. The success of the Group lies in its ability to provide high quality products and services and maintain long-term relationships with its customers. In the event that the Group's competitors are able to provide comparable services at more competitive prices or they are able to provide a wider range of services that will better meet its customers' needs, and the Group is not able to compete successfully with them, the Group's business and financial performance will be adversely affected.

## **RISKS RELATING TO THE GROUP'S BUSINESS**

### **The Group is heavily reliant on the automotive industry**

Nearly all of the Group's revenue for FY2007 was derived from supplying products and services to the automotive industry. The Group's business depends on the demand for automotive leather trim and accessories. Therefore, the Group's financial performance will be adversely affected if there is a decline in demand for automotive products in cars due to a change in consumer preference. As 31.1% of the Group's revenue was attributed to the Singapore market in FY2007, the Group's business is, to a large extent, reliant on the automotive industry in Singapore. Unique factors which affect the demand for automotive products in Singapore include the number of certificates of entitlement for cars issued by the government and the import duties on cars which will affect car prices. The Group's financial performance will be adversely affected if the Singapore government decides to issue fewer certificates of entitlement, or if import tariffs are revised to the Group's disadvantage. The demand for cars is generally dependent on factors including economic conditions, the purchasing power of the consumers, the standard of living and the government regulations in the respective geographical markets. Any substantial decrease in demand in the automotive industry would in turn mean a decrease in demand for automotive products, and this would adversely affect the Group's financial performance.

### **The Group is dependent on the Singapore market**

Approximately 31.1% of the Group's revenue was attributed to the Singapore market in FY2007. The automotive leather trim market in Singapore is presently close to saturation due to increasing competition. The Group's sales to the Singapore market may not grow and profit margins will continue to narrow. There is no assurance that the Group will be able to maintain or improve on our revenue and profits derived from the Singapore market.

### **The products and services supplied to the Group's customers by the Group in the Car Distributor Market is subject to changes in procurement policies of car distributors and automobile manufacturers**

The Car Distributor Market contributed 49.3% of the Group's total revenue in FY2007. The Group's supply of automotive leather trim and leather interior products and accessories to customers in the Car Distributor Market is affected by changes in procurement policies imposed by car distributors and automobile manufacturers from time to time. Presently, the Group supplies automotive leather trim to customers in the Car Distributor Market in Singapore, such as Kah Motor Company Sdn Bhd, Tan Chong Motor and StarsAuto Pte Ltd, as well as overseas customers who are based in Vietnam and the Middle East. The Group may lose its right to continue providing these customers with their products and services if the car distributors or automobile manufacturers change their procurement policies with regard to the selection of suppliers of the automotive components. There is no assurance that the Group will continue to have the right to supply automotive products to all their customers in the Car Distributor Market and the loss of one or more of such customers would have a material adverse effect on the Group's results of operations, financial condition and business.

### **The Group is dependent on its ability to secure projects for new car models from the OEM and Car Distributor Markets**

49.3% of the Group's revenue in FY2007 was derived from orders secured from the Car Distributor Market. 39.2% of the Group's revenue in FY2007 was derived from orders secured from the OEM Market. Orders for automotive leather trim, leather wrapping and accessories from the OEM and Car Distributor Markets are generally secured on a project basis and they relate to a specific new car model for each project. The duration of the projects would depend on the particular customer in the Car Distributor Market as some customers specify a time frame for a project while others rely on the production life cycle of the car model.

When the time frame for a project expires or when the particular car model ceases production or is replaced by an upgraded model, as may be applicable, the supply arrangement and services provided by the Group for that project will cease accordingly and the Group will need to participate in the selection process for the next project. In addition, the Group's customers may not necessarily be required to purchase automotive leather trim and accessories from the Group for the entire duration of the project and may purchase from other suppliers instead. As such, the profitability and financial performance of the Group will depend on the Group's ability to secure new projects that are profitable on a regular basis and retain them. If the Group is unable to do so for any reason, the profitability and financial performance of the Group will be adversely affected.

The revenue and profitability of the Group also depend on the markets from which the Group is able to secure its orders. Orders from customers in the OEM and Car Distributor Markets are usually of larger value than those from the Retail and After Markets. As such, in the event that the Group is not able to secure sufficient orders from customers in the OEM and Car Distributor Markets, the financial performance of the Group will be adversely affected.

**The actual cost of production may exceed initial cost estimates in quotations by the Group for its projects**

The Group negotiates with its customers on the basis of the customers' estimated costs to produce and supply automotive leather trim for each particular project. The profitability of the Group is dependent on its ability to use the most cost-effective means and source for the best-priced raw materials which meet its customers' specifications to fulfil the orders for a project at or below the estimated cost projected by the Group. There can be no assurance that the actual production costs incurred will not exceed the estimated cost quoted to and accepted by its customer. The actual costs of production may exceed the costs estimated by the Group due to several factors, including wastage, damages and errors made when procuring materials or during the production process. As the Group may not be able to pass on the increase in costs to our customers in the OEM and Car Distributor Markets, the profit margin of a Group for a specific project would be adversely affected in the event of increased production costs, thereby adversely affecting the profitability and financial performance of the Group.

**The working capital of the Group may be tied up in inventories and trade receivables**

The inventories of the Group comprise raw materials and consumables, work-in-progress, and finished goods. Inventories and trade receivables comprise approximately 55.5% of the Group's current assets as at 28 February 2007.

The average inventory turnover was 104 days for FY2007. The customers of the Group from the OEM and Car Distributor Markets generally do not pay any deposit or make any advance payment to the Group for their orders. If more of the Group's working capital is tied up in inventories in the future because its customers in the OEM and Car Distributor Markets are unable to sell their cars based on their forecasts, resulting in a significant increase in inventory turnover days, the Group's cash flow will be adversely affected and if the working capital requirements of the Group are not well managed, the business and financial performance of the Group will be adversely affected.

In FY2007, the Group's trade debtors' turnover was 55 days while the Group's trade payables turnover was 44 days. If the time taken for the Group to collect payments from its

customers exceeds the time given for the Group to pay its suppliers in the future, more of the Group's funds will be tied up in working capital. If the Group's working capital requirements are not well managed, the business and financial performance of the Group would be adversely affected.

**The Group may be liable to pay damages or incur additional costs due to delays in completion of projects or mistakes in design, production or installation caused by its employees**

The Group may be liable to pay damages if there is any delay in the production and delivery of its products to its customers. Delays in production and delivery may be brought about by a delay in the delivery of raw materials on the part of the Group's suppliers or work stoppages at the Group's production facilities due to unforeseen circumstances such as riots or infectious diseases. Should there be a delay in production and delivery, the Group may have to incur additional labour costs when the Group engages more workers to speed up production. The Group may also be required to pay higher raw material prices if the Group sources for an alternative supply on an urgent basis (in the case of a delay in delivery of raw materials by a supplier) and incur higher freight charges in order to deliver its products to its customers within a shorter time. In the event that the Group is liable to pay damages or incur additional costs due to a delay in completion, the profit margin of the Group for the project would be adversely affected, thereby adversely affecting its profitability and financial performance.

The Group may also be liable to compensate for the loss suffered by its customers if its employees make mistakes in the design, production or installation of its products. As most of the Group's projects require custom-fitted products, any mistake made by the Group's employees would mean incurring extra costs on its part as new materials and additional labour will have to be utilised for correcting such mistakes. These additional costs, together with the payment of any damages (in the case where the Group fails to deliver the Group's products within the contracted time schedule), would adversely affect the profit margin of the Group for the project, thereby adversely affecting the profitability and financial performance of the Group.

**The Group is subject to risks associated with technological changes**

The business of the Group is subject to changes in technology such as the invention and development of leather substitutes for use in automobiles and non-automobiles. These substitutes include alcantara and velvet. As the main product of the Group is custom-fitted leather trim, the Group has to adapt to such new technologies on a timely basis as well as introduce new materials (in place of natural leather) to meet the needs of its customers. The invention and development of leather substitutes may render natural leather less cost-effective and/or unsuitable for use as the material for automobile seat covers or wrapping for automobile interior accessories. Factors that may lead to leather being deemed less cost-effective and/or unsuitable include any significant increase in leather prices resulting in the preference for less expensive materials, a change in market preference for leather substitutes, and the introduction of materials that are as good as or better than leather for use as seat covers. In such event, if the Group is unable to modify its production method to keep up with the changes in technology, the Group may lose its market share and its financial performance will be adversely affected.

**The Group is dependent on its major customers**

During FY2007, the Group derived more than 74.9% of its revenue from 5 major customers, namely, Transform (Leather Interior Specialists) Ltd, C.N.A Manufacturing Sdn Bhd, Ford Operations (Thailand) Co., Ltd, Kah Motor Co. Sdn Bhd and Tan Chong Motor Sales Pte Ltd. The Group generally does not enter into long-term supply agreements with its customers. Thus, there is no assurance that current customers of the Group will continue to place orders with the Group. Furthermore, there is no assurance that the Group will be able to decrease its dependence on these major customers over time. The loss of, or a significant

reduction in orders from, these customers will have a material adverse impact on the financial performance and position of the Group.

#### **The Group is exposed to the risk of foreign exchange fluctuations**

During FY2007, approximately 93.3% of the Group's revenue was denominated in S\$, GBP, THB and RM with the balance of approximately 6.7% denominated in US\$, THB and the Euro. As the currency denominations of the Group's revenue stream and its costs differ, the Group has a net foreign exchange exposure. To the extent that the Group's revenue stream and costs are not naturally matched in the same currency, the Group will be exposed to any adverse fluctuation of the aforesaid foreign currencies against S\$. In particular, in the event of a significant appreciation in US\$ against S\$, the operating results of the Group will be adversely affected.

The Group is also exposed to fluctuations in foreign exchange arising from the difference in timing between the receipt and payment of funds by the Group. Accordingly, any significant foreign currency fluctuations will have an impact on the financial performance of the Group as it does not have any formal hedging policy. The Group may incur foreign exchange transaction losses if there is an adverse fluctuation in the exchange rates, and this will have an adverse impact on the Group's financial performance.

In addition, the books and records of the Group's operations in Malaysia and Thailand are maintained in RM and THB. Any significant fluctuation in the currency rates of RM and THB against S\$ would have an impact on the Group's consolidated financial statements which are denominated in S\$.

#### **The Group is exposed to the risk of political and economic uncertainty in Thailand**

The Group's performance may be affected by the political, regulatory and economic uncertainties in Thailand. There are certain risks inherent in doing business in Thailand, such as unexpected changes in the regulatory requirements, political instability, banking and credit risks and potentially adverse tax consequences. Such changes may have a material adverse impact on the business, financial results and operations of the Group.

#### **The Group is exposed to the risk of changes in governmental regulations**

The products supplied by the Group to its customers are affected by changes in governmental policies imposed on the Car Distributor Market in Singapore, Thailand, Australia, Indonesia, Malaysia and Europe. There is no assurance that the Group will continue to have the right to supply its products to all its customers in their respective Car Distributor Markets and the loss of such customers would have a material adverse effect on the results of its financial performance.

#### **The Group is exposed to the risk of inventory obsolescence for finished goods**

For non-overseas customers in the OEM and Car Distributor Markets, the Group produces finished goods based on its customers' order forecasts. Production commences before the Group receives the actual purchase orders from its customers as the customers would require delivery of the finished goods to them within a short span of time, ranging from a few days to a few weeks. Such order forecasts range from one to three months. As such, the Group is exposed to the risk of inventory obsolescence in respect of finished goods if the actual purchase orders received fall short of its customers' order forecasts. In the event that a particular car model ceases production and the Group has remaining inventory which is meant for installation in that discontinued car model, the Group will have to write-off those inventories. Although the amount of inventory written off in FY2007 (being 0.16% of total inventory in FY2007) has not been significant, if the amount of write-off in future is substantial, the financial performance of the Group will be adversely affected.

#### **The Group is dependent on key management personnel**

The Group is dependent on the key management personnel of the Company, in particular, Mr Liew Ham Chow. Together with the other Directors, he has steered the development and growth of the Group from a trader of automobile parts and accessories to a manufacturer and supplier of automotive leather trim production facilities in Singapore, Malaysia, Indonesia and Thailand. He has more than 20 years of hands-on experience in the automotive industry and is instrumental in the growth and expansion of the Group. His business acumen and good relationship with both our customers and suppliers are essential to our business. He is supported and assisted by a dedicated and dynamic management team with several years of business experience. The loss of the services of the key management personnel of the Group, in particular, Liew Ham Chow, without suitable replacement will adversely affect the Group's business and financial performance.

#### **The Group is dependent on effective protection of its intellectual property rights**

The Group regards protection of its intellectual property rights as an important factor in the success of the Group. The design and development team of the Group has created the P2 and P3 Matrix Leather designs, which have perforations in the shape of tiny squares or diamonds and are the registered designs of the Company in Singapore, Indonesia, Malaysia and Thailand. The Group is also the registered owner of the "Jackspeed" trade mark in Thailand, Norway, Singapore, Japan, Indonesia, the United Kingdom, Italy, the Netherlands, Belgium, the People's Republic of China, Switzerland, Austria, France, Germany, Denmark, Luxembourg, the United States of America and Malaysia.

Although the designs and the trade marks will be protected by their registration in the respective jurisdictions as registered designs and trade marks, as well as under copyright laws, it may be possible for third parties in countries where the Group markets its products to infringe its intellectual property rights by copying the registered designs and/or passing off the registered trade marks of the Group. The Group may face difficulty in effectively enforcing its intellectual property rights against third parties who violate its rights in countries where it has not registered its designs and/or trade marks or where intellectual property laws are less developed. In the event that its intellectual property rights are infringed by third parties, the goodwill in its intellectual property may be damaged. If the Group is compelled to undertake litigation to protect its intellectual property, the business and profitability of the Group would be adversely affected. The financial performance of the Group may also be adversely affected in countries where it fails to register its trade marks as the Group may be prevented from exploiting its brand effectively.

#### **Any significant change in government policies, regulations, legal system and foreign exchange control policy may affect its performance**

The Group has operations in Singapore, Malaysia, Indonesia and Thailand. The performance of the Group may be adversely affected by changes in government policies in these countries and in the countries where its customers and suppliers are located. Any changes in policies by the governments may lead to changes in laws and regulations or the interpretation thereof, as well as changes in foreign ownership restrictions, currency control policies, import and export restrictions and taxation policies. Such changes may have a significant adverse impact on the business operations of the Group and hence its financial position and/or performance.

#### **RISKS RELATING TO THE OVERSEAS OPERATIONS OF THE GROUP**

##### **The Group is subject to general risks associated with doing business outside Singapore**

There are inherent risks in doing business overseas, such as unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, labour unrest, potentially adverse tax consequence, legal uncertainty regarding liability, reduced protection for intellectual property rights in some countries, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits. As the Group continues to embark on its expansion plans

overseas, the Group's exposure to such risks will increase. If any of the aforementioned events were to take place, the overseas operations of the Group and, consequently, the business, results of operations and financial condition of the Group may be materially and adversely affected.

Save as disclosed in the Company's prospectus dated 7 June 2005, the annual report for FY2005, FY2006 and FY2007, the public announcements made by the Company, the circular to the Shareholders dated 9 June 2006 and in this Offer Information Statement, the Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition.

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- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable.

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- 11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
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Not applicable.

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- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
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Not applicable.

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- 13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –**
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**
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Not applicable.

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14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
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Not applicable.

#### **Significant Changes**

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15. Disclose any event that has occurred from the end of –
- (a) the most recent completed financial year for which financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period,
- to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.
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Saved as disclosed in this Offer Information Statement, in the circular to the Shareholders dated 9 June 2006 and in all public announcements made by the Company, the Directors are not aware of any event which has occurred since 1 March 2007 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group provided in its annual report for FY2007.

#### **Meaning of “published”**

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16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.
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Noted.

## PART VI: THE OFFER AND LISTING

### Offer and Listing Details

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- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**
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Offer price : S\$0.18 for each Placement Share

Expense specifically charged to the Subscribers: None

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- 2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
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Not applicable.

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- 3. If –**
- (a) any of the relevant entity's shareholders or equity interest-holders have preemptive rights to subscribe for or purchase the securities being offered; and**
  - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**
- indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**
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Not applicable.

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4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
- i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
- ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
- i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
- ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.
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- (a) The price range and volume of the Shares traded on the Main Board of the SGX-ST for the period stated below are as follows:

<u>Month</u>	<u>Price Range</u>		<u>Volume</u> (Shares'000,000)
	<u>High</u> (S\$ cents)	<u>Low</u> (S\$ cents)	
June 2006	21.5	20.0	3.99
July 2006	21.0	19.0	5.39
August 2006	20.5	19.0	6.05
September 2006	20.0	18.0	0.288
October 2006	20.5	18.5	6.3
November 2006	19.0	17.0	1.15
December 2006	20.5	17.0	1.77
January 2007	19.0	17.5	1.2
February 2007	18.5	15.0	3.0
March 2007	15.5	13.5	2.92
April 2007	14.5	17.5	1.96
May 2007	18.0	15.5	0.993
1 June 2007 to 25 June 2007 (being the Latest Practicable Date)	23.5	16.0	22.22

Source: Bloomberg

- (b) Not applicable
- (c) There has been no significant trading suspension that has occurred on the securities exchange during the three years immediately preceding the Latest Practicable Date.
- (d) The Shares are regularly traded on the SGX-ST.

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**5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –**

- (a) a statement of the rights, preferences and restrictions attached to the securities being offered; and
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.

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The Placement Shares, when allotted and issued, will rank *pari passu* in all respects with and carry all rights similar to the existing Shares save that it shall not rank for any dividends, rights, allotments or other distributions that may be declared or paid, on the record date for which falls on or before the date of issue of the Placement Shares.

**Plan of Distribution**

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**6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

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Not applicable.

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**7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**

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Not applicable.

**PART VII: ADDITIONAL INFORMATION**

**Statements by Experts**

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**1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

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Not applicable.

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2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –
- (a) state the date on which the statement was made;
  - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and
  - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.
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Not applicable.

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3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.
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Not applicable.

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#### **Consents from Issue Managers and Underwriters**

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4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.
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Not applicable.

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#### **Other Matters**

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5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –
- (a) the relevant entity's business operations or financial position or results; or
  - (b) investments by holders of securities in the relevant entity.
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Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company's business operations or financial position or results, or investments by holders of securities in the Company.

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**PART VIII: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES**

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Not applicable.

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**PART IX: ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES**

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Not applicable.

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**PART X: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE**

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Not applicable.

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement, and that there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Information Statement.

**FOR AND ON BEHALF OF JACKSPEED CORPORATION LIMITED**

BOARD OF DIRECTORS

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Yeap Swee Chuan  
Non-executive Chairman

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Liew Ham Chow  
Executive Director and Chief Executive Officer

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Voo Jun Hing  
Executive Director

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Ang Kian Lee  
Non-Executive Director

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Chang Yeh Hong  
Independent Director

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Lee Kim Lian Juliana  
Independent Director

Dated this

2007