


General Announcement::Press Release - Jackspeed breaks into lucrative European market with key contract win

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Jackspeed breaks into lucrative European market with key contract win

Singapore – 16 March 2018 – Jackspeed Corporation Limited (“Jackspeed” and together with its subsidiaries, the “Group”), one of the leading providers of upholstery leather kits in South-east Asia, through working with a customer, has been awarded a two-year renewable contract by a European OEM supplier to car manufacturers and importers. Under the contract, Jackspeed shall supply more than 12,000 upholstery leather kits per annum to them, which is a significant increase from Jackspeed’s current production that is in excess of 18,000 upholstery leather kits per annum.

The upholstery kits shall be supplied for a commercial car model of a renowned European car manufacturer. In this project, Jackspeed shall have a chance to showcase its products to 17 countries in Europe. This contract win shows Jackspeed’s strategy of entering the European market to be gaining traction, and opens the way for future collaborations.

Separately, Jackspeed has also been awarded a two-year contract with an OEM automotive manufacturer in Malaysia to supply 2,300 vehicle upholstery kits per annum. These upholstery kits are to be fitted into a commercial vehicle model.

While the above are taking place, the Group is also exploring business opportunities in other countries in Asia that it currently has no presence.

Meeting the orders will be from the additional production capacity of a new 50,000 square feet factory site in Kluang, Malaysia that the Group procured in the second half of 2016. This setup was embarked to meet the Group’s work to achieve more automotive upholstery orders and the Group’s diversification efforts into the aviation sector. The new factory is scheduled to come into operations in the second quarter of 2018. While this new factory increases the Group’s capacity by 12,000 upholstery kits per annum, the effect is lessened by a smaller existing factory that the Group is giving up that produces 6,000 upholstery kits per annum. With these, the present capacity of 26,000 upholstery kits per annum shall increase to 32,000 upholstery kits per annum by the third quarter of 2018. The Group is actively managing the production and orders numbers and the new factory has unused land area which can be quickly applied for additional production facility to meet future orders.