



Quality Pre-owned Cars

PROSPECTUS 2016



WWW.JETCONCARS.COM

THIS PROSPECTUS IS DATED March 7, 2016. A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to section 40(2) of the Companies Act, 2004 and was so registered on March 7, 2016. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus. A copy of this Prospectus was also delivered to the Financial Services Commission (“FSC”) for the purposes of the registration of the Company as an issuer pursuant to section 26 of the Securities Act and the Company was so registered on March 7, 2016. The FSC has not approved the shares for which subscription is invited nor has the FSC passed upon the accuracy or adequacy of this Prospectus.



JETCON CORPORATION LIMITED

Invitation For Subscription

of

44,500,000 Ordinary Shares for Subscription at the price of up to \$2.25 per Ordinary Share

The Company invites Applications on behalf of itself for 44,500,000 Ordinary Shares in the Invitation of newly issued shares. Up to 9,500,000 Ordinary Shares in the Invitation (the “Reserved Shares”) are initially reserved for priority application from the following persons (the “Reserved Share Applicants”): (a) 4,000,000 Ordinary Shares for Directors of the Company excluding the Chairman, priced at \$1.87 per share (the “Board Reserved Shares”); (b) 2,000,000 Ordinary Shares for senior managers and employees of the Company excluding the Managing Director, priced at \$1.70 (the “Employee Reserved Shares”); (c) 2,000,000 Ordinary Shares for customers on record as at January 1st 2011, priced at \$2.08 (“the Existing Client Shares”); and 1,500,000 Ordinary Shares for the Chairman priced at \$1.25 per share (“the Chairman’s Shares”).

If any of the Reserved Shares are not subscribed by the persons entitled to them, they will become available for subscription by priority applicants in the other categories and thereafter, they will become available for subscription by the general public.

An Application for use by Reserved Share Applicants and the general public is provided at the end of this Prospectus together with notes on how to complete it (See Appendix). The subscription list for the Shares will open at 9:00 a.m. on the Opening Date. Applications submitted prior to the Opening Date will be received, but not processed until the Opening Date. The subscription list for the Ordinary Shares will close at 4:30 p.m. on the Closing Date subject to the right of the Company to: (a) close the subscription list at any time after it opens on 9:00 a.m. on the Opening Date once the issue is fully subscribed and (b) extend the Closing Date for any reason, provided that it does not extend beyond the expiration of 40 days

after the publication of this prospectus for the purposes of section 48 of the Companies Act. In the case of an extension to the Closing Date, notice will be posted on the website of the Jamaica Stock Exchange (www.jamstockex.com).

It is the intention of the Company to apply to the Jamaica Stock Exchange (JSE) for admission of the Ordinary Shares to the Junior Market. The application to the JSE is dependent on the Company's ability to (i) raise at least \$86,850,000 as a result of the Invitation and (ii) meet the criteria for admission. Please note that this statement of the Company's intention is not a guarantee that the Ordinary Shares will in fact be admitted to the Junior Market of the JSE. If, however, the Company does not raise at least \$86,850,000 it will not make application for the Ordinary Shares to be admitted to the Junior Market of the JSE and all payments for Shares received from Applicants will be returned (or refunded in full) to the Applicants. Further, if the Company raises at least \$86,850,000 but does not meet the criteria for admission all payments for Shares received from Applicants will be returned (or refunded in full) to the Applicants.

SHARE CAPITAL

Authorised share capital	300,000,000 ordinary shares
Maximum to be issued by the Company in the Invitation, fully paid	44,500,000 ordinary shares

CONSIDERATION

Total consideration assuming all Shares in the Invitation are fully subscribed by the persons entitled to them:

	\$
4,000,000 Board Reserved Shares (excluding the Chairman) at \$ 1.87 each	7,480,000.00
2,000,000 Employee Reserved Shares at \$ 1.70 each	3,400,000.00
1,500,000 Chairman Reserved Shares at \$1.25 each	1,875,000.00
2,000,000 Existing Client Shares at \$ 2.08 each*	4,160,000.00
35,000,000 Shares for the general public at \$ 2.25 each	78,750,000.00
Total Consideration	95,665,000.00

* Clients of Jetcon on record since 2011

Due to the Company in respect of the 44,500,000 Shares for subscription: **95,665,000.00**

Prospective Applicants are encouraged to seek the advice of an independent financial professional, attorney-at-law or chartered accountant before making an investment decision.





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SECTION 1 IMPORTANT DISCLAIMERS

Responsibility for the Contents of this Prospectus

This Prospectus has been reviewed and approved by the Board of Directors of the Company. The Directors of the Company, whose names appear in Section 8 of this Prospectus, are the persons responsible (both individually and collectively) for the information contained in it. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and no information has been omitted which is likely to materially affect the import of information contained herein. No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.

Contents of this Prospectus

This Prospectus contains important information for prospective investors in the Company. All prospective investors should read this Prospectus carefully in its entirety before submitting an Application.

This Prospectus also contains summaries of certain documents, which the Directors believe are accurate. Prospective investors may wish to inspect the actual documents that are summarised, copies of which will be available for inspection as described in Section 15. Any summaries of such documents appearing in this Prospectus are qualified in their entirety by reference to the complete document.

The publication of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus. No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.

Neither the FSC nor any government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in this Prospectus.

The Invitation is made to Jamaican Residents in Jamaica Only

This Prospectus is intended for use in Jamaica only and is not to be construed as making an invitation to persons outside of Jamaica to subscribe for any Shares. The distribution or publication of this Prospectus and the making of the invitation in certain jurisdictions outside of Jamaica is prohibited by law.

Application to Subscribe for Ordinary Shares

This Prospectus is not a recommendation by the Company that prospective investors should submit Applications to subscribe for Ordinary Shares in the Company. Prospective investors in the Company are expected to make their own assessment of the Company, and the merits and risks of subscribing for Ordinary Shares. Prospective investors are also expected to seek appropriate advice on the financial and legal implications of subscribing for Ordinary Shares, including but not limited to any tax implications. Each Applicant who submits an Application acknowledges and agrees that:

- (1) he/she has been afforded a meaningful opportunity to review this Prospectus and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
- (2) he/she has not relied on the Company or any other persons in connection with his/her investigation of the accuracy of such information or his/her investment decision; and
- (3) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied in submitting his/her Application.

SECTION 2 SUMMARY OF KEY INFORMATION ON THE INVITATION

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus. You are advised to read this entire Prospectus carefully before making an investment decision about this Offer. Your attention is specifically drawn to the Risk Factors in Section 12 of this Prospectus. If you have any questions arising out of this document or if you require any explanation, you should consult your stockbroker, licensed investment advisor, attorney-at-law, accountant or other professional advisor.

Issuer:	Jetcon Corporation Limited.
Securities:	up to 44,500,000 Ordinary Shares.*
Invitation:	\$2.25 per ordinary share payable in full on delivery of an application.
Minimum Subscription:	Applicants must request a minimum of 5,000 Ordinary Shares. Applications above this amount must be made in multiples of 500.
Application:	SEE APPENDIX 1 OF THIS PROSPECTUS (Applicants for Reserved Shares see * below).
Payment Method:	<ol style="list-style-type: none">(1) Manager's cheque made payable to "Jetcon IPO 2016";(2) cleared funds held in an investment account in the Applicant's name at JMMB (supported by an authorisation from the Applicant instructing JMMB to make payment from that account to an account held at JMMB in the name of "Jetcon IPO 2016");(3) transfer by Real Time Gross Settlement ("RTGS") system to an investment account held at JMMB in the name of "Jetcon IPO 2016", in the case of payments of J\$2 million or more;(4) transfer via the Automated Clearing House (ACH) to an account held at JMMB in the name of "Jetcon IPO 2016"; or(5) transfer via NCB E-Link to a specified account held at JMMB in the name of "Jetcon IPO 2016".

All completed Applications may be deposited together with payment at JMMB Securities Limited as set out in section 6.5.

Timetable of Key Dates:

OPENING DATE: 9:00 a.m March 14, 2016

CLOSING DATE:** 4:30 p.m. March 17, 2016

EARLY APPLICATIONS MAY BE SUBMITTED:

Early Applications will be received, but not processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date. All other Applications will be received and processed on a first come, first served basis.

CONFIRMATION OF BASIS OF ORDINARY SHARE ALLOTMENTS:

A notice confirming the provisional basis of allotment will be posted on the website of the Jamaica Stock Exchange (www.jamstockex.com) 3 business days after the Closing Date. ***

RETURNED APPLICATIONS/REFUND CHEQUES: Available for collection from JMMB Securities Limited 7 business days after the Closing Date.

FINAL ALLOTMENT OF ORDINARY SHARES AND ADMISSION TO JUNIOR MARKET OF JSE: Within 3 to 4 weeks of the Closing Date. Successful Applicants will receive a letter from the Registrar of the Company, Jamaica Central Securities Depository Limited, confirming their final allotments.

Up to 9,500,000 Ordinary Shares in the Invitation (the “Reserved Shares”) are initially reserved for priority application from, and subscription by the “Reserved Share Applicants”. If any of the Reserved Shares in any category are not subscribed by the persons entitled to them, they will become available for subscription by priority applicants in the other categories and thereafter, they will become available for subscription by the general public.

** An Application for use by Reserved Share Applicants and the general public is provided at the end of this Prospectus together with notes on how to complete it (See Appendix). The subscription list for the Ordinary Shares will close at 4:30 p.m. on the Closing Date subject to the right of the Company to: (a) close the subscription list at any time after it opens once the issue is fully subscribed and (b) extend the Closing Date for any reason, provided that it does not extend beyond the expiration of 40 days after the publication of this prospectus for the purposes of section 48 of the Companies Act.

***** In the case of an early closing of the subscription list or an extension to the Closing Date, notice will be posted on the website of the Jamaica Stock Exchange (www.jamstockex.com).**

SECTION 3 LETTER TO PROSPECTIVE INVESTORS

The Directors of the Company are pleased to invite you to subscribe and purchase Ordinary Shares in the capital of the Company on the terms and conditions set out in this Prospectus.

In 2015, the Company reported revenues of \$523 million representing an increase of \$174 million or 49.91% compared to \$349 million reported in 2014. The increased revenues for 2015 resulted in a 286% growth in after tax profits, which reached \$40 million. For the period up to February 29, 2016, revenues are up up 31% for the two months combined over the similar period in 2015.

Jetcon has had a long and successful track record in supplying customers with high quality imported preowned cars. The service provided to our customers is driven by ensuring satisfaction with our products and services, which has resulted in several of our customers either being repeat customers or persons who recommend our products and services to their friends and business associates. This has led to us having a customer database of over 5,000 customers.

Jetcon has consistently invested in advertising, marketing and promotion of our products using various strategies. We are located along a high trafficked corridor that offers excellent visibility and exposure of our vehicles to potential customers.

Jetcon is committed to customer satisfaction and achieves this through the adherence to the twin principles of honesty and integrity. We aim to exceed our commitments to our customers. In order to ensure that our philosophy is maintained, all of our cars are fully serviced by our trained technicians and go through a 120-point quality inspection before delivery. This is backed by our limited warranty.

The company is seeking to raise approximately \$96 million. These proceeds will be used to:

- (i) pay down interest bearing bank debt;
- (ii) upgrade and expand the existing building on the property and the associated bonded warehouse to allow for a showroom and more storage space for cars;
- (iii) provide working capital support for the purchase of inventory; and,
- (iv) finance the cost of the IPO.

This will allow us expand our operations by enabling us to take advantage of business opportunities and lower costs by buying in larger volumes. The Company believes that listing on the Junior Market of the JSE will raise its profile thereby allowing it to raise funds if required on more favourable terms for future expansion. In addition, the Company believes that the funds raised from this Invitation, if successful, will

enable it to strengthen its balance sheet thus further enabling it to take advantage of opportunities that may arise from time to time.

The Directors have decided that the Company will absorb the customary JSCD fee of \$144 per application inclusive of General Consumption Tax; and, as such, investors will only be required to pay the price of the Shares being offered. The Invitation represents an opportunity for prospective investors to partake in the success of the Company and its future performance.

The Jetcon family looks forward to welcoming you as an investor and as member of our family.



John Jackson
Chairman

SECTION 4 DEFINITIONS USED IN THIS PROSPECTUS

Act	means the Companies Act, 2004.
Allotment	means the allotment of the Shares to successful Applicants by the Company.
Applicant	means a person (being an individual or a body corporate) resident in Jamaica, whether an applicant for Reserved Shares or a member of the general public who submits an Application.
Application	means the form of application to be used by all Applicants who wish to make an offer to subscribe for Shares in the Invitation, which is set out in in the Appendix.
Articles of Incorporation	means the Articles of Incorporation of the Company adopted by the shareholders of the Company on February 17, 2016 together with any amendments thereto.
Auditor	means Crooks Jackson Burnett, Chartered Accountants.
Audited Financial Information	means the figures set out in Section 11.
Board of Directors	means the Board of Directors of the Company, details of which are set out in Section 8 of this Prospectus.
Board Reserved Shares	means 4,000,000 Ordinary Shares Ordinary Shares reserved for Directors of the Company (excluding the Chairman), priced at \$1.87 each.
Board Reserved Share Applicants	means the members of the Board who have applied for Board Reserved Shares.
Company	means Jetcon Corporation Limited, a company incorporated in Jamaica on October 12 1994 (No. 50392) with its registered office at 2 Sandringham Avenue, Kingston 10 in the parish of St Andrew.
Chairman Reserved Shares	means 1,500,000 Ordinary Shares Ordinary Shares reserved for the Chairman of the Company priced at \$1.25 each.
Closing Date	means the date on which the subscription list in respect of the Invitation closes, being 4:30 p.m. on March 17, 2016, subject to the right of the Company to shorten or extend the period in the circumstances set out in this Prospectus.

Employee Reserved Shares	means 2,000,000 Ordinary Shares reserved for senior managers and employees of the Company, priced at \$1.75.
Existing Clients Shares	means 2,000,000 Ordinary shares reserved for clients that are on the records of the Company as at 2011, priced at \$2.08 each
Financial Information	means the Audited Financial Information
Forward looking statements	means the forward looking statements referred to in Section 5 of this Prospectus.
FSC	means the Financial Services Commission of Jamaica.
Invitation	means the invitation to subscribe for 44,500,000 Shares made by the Company on the terms and conditions set out in the Prospectus.
Invitation Price	means \$2.25 per Ordinary Share .
JSE	means the Jamaica Stock Exchange.
Junior Market	means the Junior Market of the JSE.
Lead Broker	means JMJB Securities Limited.
Opening Date	means the date on which the subscription list in respect of the Invitation opens, being 9:00 a.m. on March 14 , 2016.
Ordinary Shares	means the ordinary shares in the capital of the Company .
Prospectus	means this document which constitutes a prospectus for the purposes of the Companies Act, 2004 and the Securities Act.
Registrar	means Jamaica Central Securities Depository Limited, 40 Harbour Street, Kingston, Saint Andrew.
Shares	means the Ordinary Shares in the Company.
Shareholders	means holders of the Shares.
Terms and conditions	means the terms and conditions of the Invitation set out in Section 6.5 of this Prospectus.

SECTION 5 DISCLAIMER: FORWARD LOOKING STATEMENTS

Save for the Historical Financial Information contained in this Prospectus, certain matters discussed in this Prospectus contain forward-looking statements including, but not limited to, statements of expectations, future plans or future prospects, and pro forma financial information and/or financial projections. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although the Directors believe that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

When used in this Prospectus, the words “anticipates”, “believes”, “expects”, “intends” and similar expressions, as they relate to the Company, are intended to identify those forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, and prior to the admission of the Company to the Junior Market of the JSE, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in the light of new information or future events, including changes in the Company’s financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the Company’s control. These factors include, without limitation, the following:

- economic, social and other conditions prevailing both within and outside of Jamaica, including actual rates of growth of the Jamaican and regional economies, instability, high domestic interest rates or exchange rate volatility.
- adverse climatic events and natural disasters.
- unfavourable market receptiveness to new products.
- changes in any legislation or policy adversely affecting the revenues or expenses of the Company.
- any other factor negatively impacting on the realisation of the assumptions on which the Company’s Projected Financial Information is based.
- other factors identified in this Prospectus.
- factors as yet unknown to the Company.

Neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of the matters contained in this Prospectus.

SECTION 6 THE INVITATION

6.1 General Information

Prospective investors should read this entire Prospectus carefully. Those prospective investors who wish to subscribe for Ordinary Shares should review the full terms and conditions of the Invitation set out in Section 6.5 before completing the Application set out in Appendix 1.

6.2 Minimum Fundraising

For the purposes of the requirement for disclosure set out in section 48 of the Companies Act, the minimum amount which, in the opinion of the Directors, must be received by the Company as a result of the subscription of its Ordinary Shares in the Invitation is J\$86,850,000.

6.3 Use of Proceeds Arising from the Subscription of Shares:

The Company intends to use the proceeds of the Invitation for the following:

- Working capital support.
- To acquire land to facilitate expansion of a bonded warehouse/showroom and service garage.
- Payment of the expenses of the Invitation, which, the Company estimates, will not exceed eleven million dollars \$11,000,000.00 including the following:
 - Brokerage and financial advisory fees - \$4,783,250.00
 - Legal Fees - \$3,495,000.00

6.4 Key Dates

An Application for use by all Applicants, including Reserved Share Applicants and the general public, is provided at the end of this Prospectus together with notes on how to complete it (See Appendix). The subscription list will open at 9.00 am on the Opening Date and will close at 4:30 p.m. on the Closing Date 2016 subject to the right of the Company to:

- (a) close the subscription list at any time after 9:00 a.m. on the Opening Date once the issue is fully subscribed, and
- (b) to shorten or extend the Closing Date for any reason provided that it does not extend beyond the expiration of 40 days after the publication of this prospectus for the purposes of section 48 of the Companies Act.

In either case the Company will arrange for a notice to be posted on the website of the JSE (www.jamstockex.com). It is the intention of the Company to apply to the JSE for admission of the Ordinary Shares to the Junior Market. The application is dependent on the Company's ability to:

- (i) raise at least \$86,850,000.00 from the Invitation, and
- (ii) meet the criteria for admission set out in the Junior Market Rules made by the JSE.

If such application is made and it is successful the Company expects the Ordinary Shares to be admitted to trading on the Junior Market of the JSE within 1 to 2 weeks of the Closing Date (or the shortened or extended Closing Date, as the case may be) and for dealings to commence on that date. In the event that the Ordinary Shares are not admitted to trading on the Junior Market of the JSE, all payments for Ordinary Shares received by the Company will be returned or refunded to the Applicants making them.

6.5 Terms and Conditions for Applicants

- (1) All Applicants (whether Reserved Share Applicants, or members of the general public) must submit the Application provided in the Appendix to this Prospectus. Additionally, Reserved Share Applicants must specify their status on the Application and provide reasonably verifiable proof of their identity.
- (2) All Applicants will be deemed to have accepted the terms and conditions of the Invitation and any other terms and conditions set out in this Prospectus, including any terms and conditions set out in this Section 6 and the Application in Appendix 1.
- (3) Each Applicant acknowledges and agrees that:
 - (a) he/she has been afforded a meaningful opportunity to review this Prospectus (including the terms and conditions in this Section 6.5), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
 - (b) he/she has not relied on any person other than the Company and the Directors, each of whom have individual and collective responsibility for the contents of this Prospectus, in connection with his/her investigation of the accuracy of such information or his/her investment decision;
 - (c) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained herein, on which the Applicant has relied in submitting his/her Application; and

- (d) he/she has made his/her own assessment of the Company, and the merits and risks of subscribing for Ordinary Shares, inclusive of taking advice (or waiving the need for such advice) in relation on the financial and legal implications of subscribing for Shares and the tax implications thereof.
- (4) Applications from the general public must request a minimum of 5000 Ordinary Shares and further amounts in multiples of 500. Applications in other denominations will not be processed or accepted.
- (5) A processing fee of J \$144 per Application payable to the Registrar applies and is payable by each Applicant, however, the Company has decided that it will absorb the processing fee for each Applicant.
- (6) All Applications must be accompanied by the appropriate payment in the form of either:
- (a) Manager's cheque made payable to "Jetcon IPO 2016";
 - (b) cleared funds held in an investment account in the Applicant's name at JMMB (supported by an authorisation from the Applicant instructing JMMB to make payment from that account to an account held at JMMB in the name of "Jetcon IPO 2016");
 - (c) transfer by Real Time Gross Settlement ("RTGS") system to an investment account held at JMMB in the name of Jetcon IPO 2016", in the case of payments of J\$2 million or more;
 - (d) transfer via the Automated Clearing House (ACH) to an account held at JMMB in the name of Jetcon IPO 2016";
 - (e) transfer via NCB E-Link to a specified account held at JMMB in the name of "Jetcon IPO 2016".

All completed Applications must be delivered to one of the locations specified in Section 13.

The Company may: accept or reject any Application in whole or part without giving reasons, and neither the Company nor its Directors or agents shall be required to provide reasons for decisions or be liable to any Applicant or any other person for doing so; and allot Ordinary Shares to Applicants on a basis to be determined by it in its sole discretion. Multiple Applications by any person (whether in individual or joint names) may be treated as a single Application.

- (7) Neither the submission of an Application by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of Ordinary Shares by the Company to an Applicant (whether such Shares represent all or part of those specified by the Applicant in his/her Application) will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the number of allotted Ordinary Shares, subject to the Articles of Incorporation of the Company and the terms and conditions set out in this Section 6.5 and the Prospectus generally.
- (8) If the Ordinary Shares are admitted to trade on the Junior Market of the JSE, Applicants will be allotted Ordinary Shares for credit to their account in the Jamaica Central Securities Depository specified in their Applications. Please note that the Company does not guarantee admission of the Ordinary Shares to the Junior Market of the JSE. . In the event that the Ordinary Shares are not admitted to trading on the Junior Market of the JSE, all payments for Ordinary Shares received by the Company will be returned or refunded to the Applicants making them.
- (9) The Company will endeavour to return cheques or make refunds to Applicants whose Applications are not accepted, or whose Applications are only accepted in part, to JMMB SECURITIES LIMITED within 7 working days after the Closing Date (or the shortened or extended Closing Date, as the case may be) or as soon as practicable thereafter. Each Applicant's returned cheque or refund cheque will be sent to JMMB SECURITIES LIMITED for collection by the Applicant (or the first-named joint Applicant) stated in the Application. Any other persons purporting to collect a cheque on behalf of an Applicant must be authorised in writing to do so.
- (10) Applicants must be at least 18 years old.

SECTION 7 INFORMATION ABOUT THE COMPANY

7.1 The Company

Jetcon Background: Jetcon was incorporated and began operating in 1994. Jetcon seeks to deliver an unrivaled customer experience by offering a select range of high quality pre-owned vehicles and related products and services using a customer-friendly sales process. By focusing on customer service and serving the market for smaller more affordable cars, we have become one of the premier dealers of pre-owned vehicles, with sales reaching \$523 million in 2015.

Jetcon Sales Operations: We sell preowned vehicles imported from Japan and provide related products, motor vehicle servicing and parts.

Vehicle Purchasing Process: The vehicle purchase process at Jetcon is geared towards maximum customer satisfaction, from initial contact to after-sales service. Our affordable pricing and vehicle inventory helps in the process of customer satisfaction. In addition, our sales consultants are trained in the technical and service features of each vehicle. The Company prioritizes building a relationship with the customer, thus enhancing the sales process, providing maximum satisfaction and encouraging repeat sales. We have built up a customer database of over 5,000 customers.

An integral part of our pre-owned car consumer experience is the reconditioning process designed to make sure every car meets our standards before it can become a Jetcon Quality Certified vehicle. This process includes a comprehensive Jetcon Quality Inspection of the engine and all major systems. Based on this inspection, we determine the reconditioning necessary to bring the vehicle up to our quality standards. We perform most routine mechanical and minor body repairs in-house; however, for some reconditioning services, we engage third parties specializing in those services. In addition, we provide vehicle servicing and repair service. We stand behind every preowned vehicle we sell with a 90-day/5500km limited warranty.

Competition: The used car industry is highly fragmented and competitive. Jetcon estimates that there are approximately 200 registered used car automotive dealerships, as well as unregistered private entities. Competition in the industry is increasingly affected by the use of internet based marketing and other internet-based tools for both consumers and the dealers. Management estimates there were approximately 16,000 pre-owned vehicles and 5,000 new vehicles imported in calendar 2015. However, not all of these vehicles are in direct competition with the vehicles we carry, especially when the price range and financing options are taken into account.

Suppliers of Pre-owned Vehicles: We acquire our pre-owned vehicle inventory directly from suppliers in Japan. The supply of late-model used vehicles is influenced by a variety of factors, including the total number of vehicles in operation, the rate of new vehicle sales in Japan, which in

turn generate pre-owned car trade-ins. The Jamaican consumers have accepted Japanese pre-owned vehicles as a good value proposition. We believe that our experience and success in acquiring these vehicles, along with the large size of the Japanese market, will continue to meet our needs.

Seasonality: Historically, our business tends to be relatively stable throughout the year with slight increases in the summer and Christmas periods.

Marketing and Advertising: Our marketing strategies are focused on developing awareness of the advantages of shopping at Jetcon and on attracting customers who are already considering buying a vehicle. We implement these strategies through traditional, non-traditional and digital methods, including social media. Our Jetcon.com website and social media presence are marketing tools for communicating the “Jetcon customer experience”. This has resulted in heightened brand recognition for Jetcon.

Team Members: We have a total of 17 team members, including 3 sales team members, who are compensated on a commission basis. We believe we have created a unique corporate culture and maintain good employee relations. We focus on developing our team members and providing them with the information and resources they need to offer exceptional customer service and the Jetcon team has been recognized for the success of our efforts.

Laws and Regulations

Vehicle Dealer and Other Laws and Regulations: We operate in a regulated industry, with laws requiring licenses and permits to conduct business. These include consumer protection laws, as well as other laws and regulations applicable to pre-owned motor vehicle dealers. Claims arising out of actual or alleged violations of law could be asserted against us by individuals or governmental authorities and could expose us to damages or other penalties, including revocation or suspension of the licenses necessary to conduct business and fines. We have all required permits and licences and as at the date of this Prospectus have had no claims or regulatory citations brought against us.

7.2 Permits and Licences

The Company is required to hold a licence to operate an automotive dealership. Such a licence is issued by the Trade Board and is renewable in May of each year. The Company holds a valid licence for the continued operation of its business, which expires on 4th May 2016. A copy of the license from the Trade Board is available for inspection. The Company is also required to have a permit from the Jamaica Customs Agency to operate a bonded warehouse. This permit is issued for periods of 12 months subject to renewal and the provision of a Customs Bond from a licensed financial institution. The Company has consistently had its permit renewed. The current permit is due for renewal on March 31, 2016.

7.3 Tax Compliance

The Company is tax compliant and has satisfied all the statutory requirement in respect of Income Tax (including PAYE), General Consumption Tax, Special Consumption Tax, Education Tax, and also in respect of N.I.S, N.H.T and H.E.A.R.T contributions. The Company holds a valid Tax Compliance Certificate valid up to and including April 10, 2016.

7.4 Concessionary Regime For Taxation Of Junior Market Companies

If the Shares are admitted to trading on the Junior Market of the JSE before March 31, 2016, the Company will benefit from a 5-year concessionary tax regime that starts from the date of listing during which it will be eligible for a full remission of corporate income tax. Transfers of any Shares on the JSE are exempt from transfer tax and stamp duty. Dividends received by Jamaican resident shareholders are subject to a 15% rate of income tax. The tax on dividends is to be withheld at source by the Company as a final tax. Each prospective Shareholder should consult with an independent adviser as to the rate of withholding and other taxes that is applicable to them.

7.5 Corporate Details

The Company was incorporated on October 12, 1994 as a private company with limited liability. The Company re-registered as a public company and adopted new Articles for that purpose with the approval of its shareholders, given by way of written resolution dated the 17th day of February, 2016.

7.6 Details of the Authorised and Issued Share Capital and the Shares in the Invitation

Capital Structure of the Company

As at February 29, 2016 the latest practicable date prior to publication of this Prospectus, the authorised and issued share capital of the Company was as follows:

Authorised: 300,000,000 Ordinary Shares

Issued: 150,000,000 Ordinary Shares

The shares in the Invitation will be newly issued Shares of the Company.

7.7 Recent Capital Reorganisation

Following a an extraordinary general meeting of the Company held on February 17, 2016, and pursuant to the unanimous resolutions of the Shareholders passed at that meeting, the Company's authorized share capital was increased from 20,000 ordinary shares to 1,000,000 ordinary shares and all authorised and issued shares were sub-divided into 300 shares pursuant to section 65(1)(b) of the Companies Act, 2004.

7.8 Shareholdings in the Company Before and After the Invitation

As at February 29, 2016 the latest practicable date prior to publication of this Prospectus, the holdings of Shares in the capital of the Company (including legal and, where known to the Company, beneficial holdings) were as follows:

Name of Shareholder	Number of Ordinary Shares before Opening Date of Invitation	% of Issued Shares before Opening Date of Invitation
St. Andrew Investments Limited	117,302,400	78.20
Sean Jackson	8,174,400	5.45
Andrew Joel Jackson	8,174,400	5.45
Justine Jackson	8,174,400	5.45
Gillian Jackson	8,174,400	5.45
Total Issued Share Capital Before Invitation	150,000,000	100

After the subscription lists for the Invitation are closed, and assuming that the Invitation is fully subscribed by the public and by the Reserved Share Applicants, the percentage shareholdings in the Company will be as follows:

Name of Shareholder	Number of Ordinary Shares after Opening Date of Invitation	% of Issued Shares after Opening Date of Invitation
St. Andrew Investments Limited*	117,302,400	60.31
Sean Jackson	8,174,400	4.20
Andrew Joel Jackson	8,174,400	4.20
Justine Jackson	8,174,400	4.20
Gillian Jackson	8,174,400	4.20
Board Reserved Applicants	4,000,000	2.06
Employee Reserved Applicants	2,000,000	1.03
The Chairman	1,500,000	0.77
Existing Clients Applicants	2,000,000	1.03
General Public	35,000,000	17.99
Total Issued Share Capital Following Invitation	194,500,000	100

**St Andrew Investments Limited is a private company incorporated in Jamaica 100% owned by Andrew Jackson and Gillian Jackson.*

7.9 Intellectual and Real Property

As at February 29, 2016 the latest practicable date prior to the publication of this Prospectus, the Company has the following interests in intellectual and property:

Property	Description									
Trademark	The Company has been using its logo from the Company's incorporation in 1994 and filed for registration of its logo as trademark at the Jamaica Intellectual Property Office on February 9, 2016.									
Owned Real Property	2 Sandringham Avenue, Kingston 10 registered at Volume 1114 Folio 633 in the Register Book of Titles.									
Leased Real Property	<table border="1"><thead><tr><th>LOCATION</th><th>LESSOR/LICENSOR</th><th>RENEWAL DATE</th></tr></thead><tbody><tr><td>Part of 17 Courtney Walsh Drive, Kingston 10</td><td>Melbourne Cricket Club</td><td>1st day of each month</td></tr><tr><td>Part of 17 Courtney Walsh Drive, Kingston 10</td><td>Melbourne Cricket Club</td><td>1st day of each month. <i>The Company is currently in negotiations to secure a 99 year lease for this property.</i></td></tr></tbody></table>	LOCATION	LESSOR/LICENSOR	RENEWAL DATE	Part of 17 Courtney Walsh Drive, Kingston 10	Melbourne Cricket Club	1 st day of each month	Part of 17 Courtney Walsh Drive, Kingston 10	Melbourne Cricket Club	1 st day of each month. <i>The Company is currently in negotiations to secure a 99 year lease for this property.</i>
	LOCATION	LESSOR/LICENSOR	RENEWAL DATE							
	Part of 17 Courtney Walsh Drive, Kingston 10	Melbourne Cricket Club	1 st day of each month							
Part of 17 Courtney Walsh Drive, Kingston 10	Melbourne Cricket Club	1 st day of each month. <i>The Company is currently in negotiations to secure a 99 year lease for this property.</i>								

7.10 Material Contracts

The Company has not entered into any material contracts (contracts that are not in the ordinary course of business) in the 2 years preceding February 29, 2016 being the latest practicable date prior to the publication of this Prospectus.

7.11 Related Party Transactions

The Company has no related party transactions as at February 29, 2016 the latest practicable date prior to the publication of this Prospectus.

7.12 Litigation

As at February 29, 2016 the latest practicable date prior to the publication of this Prospectus, there were no litigation, arbitration, or similar proceedings pending or threatened against the Company as defendant, nor do the Directors believe that there are circumstances that may give rise to such proceedings.

7.13 Dividend Policy

If the Company is admitted to the Junior Market, the Directors intend to pursue a dividend policy that projects an annual dividend of up to 30 per cent of net profits available for distribution, subject to the need for reinvestment in the Company from time to time.

7.14 Insurance Arrangements

The Company presently has up-to-date fire & perils insurance with GK General Insurance Company Limited over the land and building where the business is located as well as the stock of the business located at 2 Sandringham Avenue, Kingston 10 and 16 Derrymore Road Kingston 10 for a total insured value of \$88,700,000.00.

7.15 Charges Registered Against the Company

As at February 29, 2016, the latest practicable date prior to the publication of this Prospectus, the following charges (within the meaning of section 93 of the Companies Act) were registered against the public file of the Company maintained by the Companies Office of Jamaica:

Nature of charge	Amount secured	Rate of Interest
Unsecured loan from the National Commercial Bank on June 28, 2012 and is repayable over three (3) years	\$7,500,000.00	fixed over the period at a rate of 19% per annum
Loan from JMMB Merchant Bank in June 2013. The loan is secured by a first legal mortgage over residential property located at Chancery Hall, Phase II St Andrew Volume 1282 Folio 577 and a corporate guarantee issued by St Andrew Investments Limited.	\$21,000,000.00	Interest charged at the rate of 12.75% per annum.

SECTION 8 DIRECTORS AND MANAGEMENT

8.1 Biographical details of the Board of Directors

Brief biographical details of the Directors appear below. The Directors' addresses are set out in section 14.



JOHN JACKSON Chairman

John Jackson is a Chartered Accountant with years of experience in auditing and investments and attended South West London College in the United Kingdom. He brings to the board years of experience chairing a number of boards using his knowledge in management, economic financial and accounting matters. John is currently acting chairman of Jamaica Teas Limited, a company listed on the junior market of the JSE since 2010. He serves as mentor and chairs the audit and finance committee of the company. He is also chairman of KIW International since 2008 and currently oversees the daily operations. He served on the boards of a number of other companies in the past, including Eagle Unit Trust that is now owned by Scotia Investments Limited. John is a former employee of KPMG where he worked from 1967 to 1976, at which time he was Senior Accountant. He then went on to work at Sevens Limited where he served as Business Manager from 1976 to 1978 and the National Sugar Company between 1978 and 1983 where he was the internal auditor and business manager. He left National Sugar to establish his own business specializing in auditing, taxation, consulting, investments and finance. John founded Investors Choice in 1989 and continues to manage it and its affiliated website, ICInsider.com. which covers financial economic and related information within the Caribbean.. John is also a public speaker and commentator on a variety of subject matters.



ANDREW JACKSON

Andrew has a first degree in physics and electronics and an MBA. He worked in various areas of Cable and Wireless Jamaica Limited, and NCR Jamaica before exploring his entrepreneurial skills. In 1989, he managed the Investor's Choice magazine and in 1991 entered the automotive business. In 1994, he founded Jetcon Corporation formally to handle the importation and sale of pre-owned vehicles, where he has been employed as managing director since. He served as Chairman of the Institute of Electrical and Electronics Engineers (Jamaica Section), President of the Jamaica Used Car Dealers Association and President of the Jamaica Karting Association for several years.



ANDREW JOEL JACKSON **Company Secretary**

Andrew is currently completing a BSc in Business Administration at the University of the West Indies and has wide experience in the auto industry. He has worked at the Company since the age of 14, at which times he spent his summer and Christmas holidays working in critical areas of the Company. He has worked in parts management, garage operations and administration and he now currently oversees the process of importation of the cars from Japan to Jamaica, as well as the maintenance of the company website. Andrew is a serious motorsport competitor. He began karting at age 7, and upon finishing high school, left to pursue his lifelong dream of professional motorsports, which saw him competing in the Formula BMW and Skip Barber race series in Europe, Canada and the United States. Upon returning home, he switched his focus to local and regional rallying and circuit racing.



GARTH MCKENZIE

Garth has a first degree in Electrical Engineering as well as 2 postgraduate degrees in Business Administration and Maintenance and Reliability Engineering from Nova South Eastern University and MONASH University (Australia) respectively. He has served the Utility and Energy Industry for nearly 3 decades and is now the owner of GMc Energy Ltd an Energy and Consulting Firm. He is a business executive with broad general, technical and retail expertise. He has a demonstrated track record of commercial and operational innovation and successes. Specialties: Administration, Change Management, Union negotiations, Public Speaking, Maintenance and Reliability systems, Renewable Energy and Loss Reduction. Garth also serves on the Academic Advisory Committee for the engineering programme at UTECH.



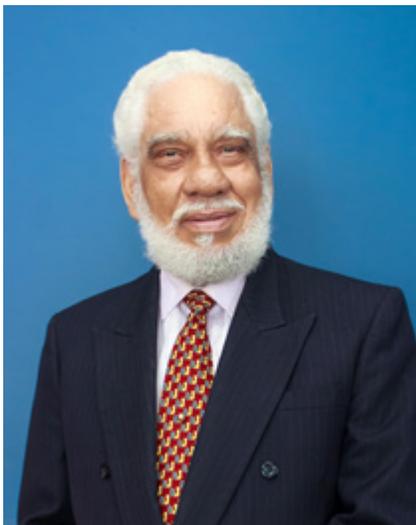
CHRISTINE CLARKE **Independent Director**

Christine holds a Ph.D in Economics - Public Finance (2008) from Rice University Houston, Texas, USA and a Master of Arts in: Economics - Public Finance (2006) also from Rice University. She served for four-years as a Director on the Board of the Bank of Jamaica and, Chair of the Budget and Audit Committees at BOJ. She lectures at the University of the West Indies in the Department of Economics where she is the Chair of Undergraduate Committee with responsibility for the Banking and Finance and Economics Majors). She has also worked at the Planning Institute of Jamaica as the Director of Economic Planning and Research.



CARL CARBY **Independent Director**

Carl is a management accountant, and attended the South West London College in the United Kingdom, and is presently Executive Chairman of Carlong Publishers (Caribbean) Limited and Chairman of Sangster's Book Stores Limited. Carl worked at Bahama Cement Company, Colgate Palmolive Co. (JA. Ltd.) as Regional Finance Director and T. Geddes Grant Limited before moving to Carlong, which he owns jointly with Shirley Carby.



KARL P. WRIGHT **Independent Director**

Karl has an MBA Finance degree from Dalhousie University. He is the former President of Victoria Mutual Building Society where he worked for 33 years before retiring in 2005. He currently serves as a dispute arbitrator for Victoria Mutual Building Society. He sits on the board of KIW International where he serves as Chairman of the Investment and Finance committee. He also serves on the UWI Development Trust Endowment Fund.

8.2 Corporate Governance and Accountability

The Board has established an Audit Committee and a Compensation Committee, each of which is required to be established by the Junior Market Rules. The members of each Committee include at least 2 independent non-executive Directors, and are comprised as follows:

Audit Committee	Compensation Committee
Carl Carby (Chair) Andrew J. Jackson Karl P. Wright	Christine Clarke (Chair) Karl P. Wright Garth McKenzie

Each non-executive Director of the Company will be paid a fee of \$300,000 per annum for his/her attendance at Board meetings. Directors who are also members of the Audit committee will be paid an additional \$200,000 per annum and Directors who are also members of the Compensation Committees will be paid an additional fee of \$100,000 per annum. The Chairman of the Board will also receive an additional remuneration of \$450,000 per annum and chairman of each of the two sub-committees will be paid an additional \$200,000 per an annum. All fees are exclusive of reasonable expenses incurred in attending meetings of the Board and/or the Committees, and the Annual General Meeting.

The Chairman is currently one of the JSE's approved mentors for the purposes of Rule 503, of the Junior Market Rules is therefore able to discharge the functions and responsibilities required of a mentor under Rule 503(2); accordingly the Company, through its legal counsel, has applied to the JSE for a waiver of the mentor requirement under the Junior Market Rules.

THE JETCON MANAGEMENT TEAM

Based on the relatively small number of team members, the management team is compact in recognition of the high value nature of each transaction. The team is headed by:

Andrew Jackson – Managing Director (see Director's Profile)

Andrew Joel Jackson – Director/Company Secretary (see Director's Profile)

Colleen Clayton – Lead Sales Consultant: Colleen is Jetcon's longest standing team member, being with the team for 16 years. This depth of experience enables her seamlessly to match a potential customer with the car they desire. She prides herself on gaining technical information about every brand Jetcon sells, and strives to instill this mindset in the rest of the sales team. She has a BSc in

Management Studies and in 2012 won the NCB Auto Dealer Award for the salesperson with Most Improved Sales.

Keddine Bryce – Accounts and Administration: Keddine has been with the Company for 9 years. She oversees all the accounting and administrative operations, including the acquisition of all documents for the cars from landing to delivery.

Julian Gordon – Service Supervisor: Julian has been with Jetcon for 2 years, managing the operations of the garage. He is currently completing his BSc in Management Studies at Utech. Previous experience includes managing the fleet at Jamaica Fiberglass Products and a stint at Team Xpress Racing. He is also a member of the Jamaica Marshalling Club, which provides marshalling for all motorsports events in Jamaica.



SECTION 9 MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided as a supplement to, and should be read in conjunction with, the audited financial statements and the accompanying notes presented at Section 11. Amounts and percentages may not total due to rounding.

Jetcon Sales Operations

Our sales operations segment consists of retail sales of pre-owned vehicles imported from Japan and limited related products and services. The vehicles are thoroughly serviced by our service garage prior to delivery, to our customers. We focus on addressing the major sources of customer dissatisfaction with our direct input to satisfactorily meet the customers' needs. Our customers finance the majority of the retail vehicles purchased from us, and we work in close collaboration with financial institutions. This collaboration provides quick and reliable responses to our customers' needs.

Revenues and Profitability

Our primary source of revenue and net income is the retail sale of preowned vehicles, sales of parts and motor vehicle servicing. This amounted to \$523 million for the year ended 31 December 2015, which represents an increase of 49.91% percent when compared with the \$349 million recorded for the twelve months ended 31 December 2014. The year-over-year comparisons reflected strong increases in the volume of motor vehicles sold. The strong growth in sales in 2015 was due to:

- i. a depreciation of the Yen/USD exchange rate which made Japanese vehicles cheaper in USD terms;
- ii. more favourable lending policies by banks and other financial institutions with respect to financing of pre-owned vehicles;
- iii. lower interest rates for car loans;
- iv. our continued focus on selling vehicles with a lower cost profile which are more affordable

Vehicle sales contributed 99% of 2015 revenues and 98% in 2014. The positive trend experienced in 2015, has carried over into the current year, with data for the period up to February 17, 2016 showing revenues increasing by 31 percent over the similar period in 2015. While this is a positive trend, it is no guarantee that the full year's outcome will mirror the performance of the year to date, we note however, that sales in February are growing at a faster pace than that recorded in January.

Financial Performance

JETCON CORPORATION LIMITED

Year ending December 31

	2015	2014	2013	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues	523,246	349,040	372,962	377,826	155,616
Yearly Change (%)	49.91%	-6.41%	-1.29%	142.79%	9.88%
Gross Profit	91,765	53,226	61,363	75,345	25,037
Yearly Change (%)	72.41%	-13.26%	-18.56%	200.93%	23.07%
Administrative & Other Expenses	37,466	30,040	33,764	45,816	16,457
Yearly Change (%)	24.72%	-11.03%	-26.31%	178.40%	6.78%
Profit/(Loss) Before Taxation	50,612	12,898	19,964	21,017	3,588
Yearly Change (%)	292.40%	-35.39%	-5.01%	485.76%	590.00%
Total Comprehensive Income	40,349	10,466	14,549	13,858	2,319
Yearly Change (%)	285.52%	-28.06%	4.99%	497.59%	462.86%
IMPORTANT RATIOS					
Gross Profit Margin (%)	17.54%	15.25%	16.45%	19.94%	16.09%
Administrative & Other Expenses/Sales (%)	7.16%	8.61%	9.05%	12.13%	10.58%
Net Profit Margin (%)	7.71%	3.00%	3.90%	3.67%	1.49%

Revenues grew by 10% in 2011 to reach \$156 million up from the \$142 million recorded in 2010. In 2012, revenues grew by 142% to \$378 million, followed by moderate declines 1% and 6% in 2013 and 2014 respectively before growing to \$524 million in 2015.

Gross Profit Analysis: Gross profits have followed the trend in sales growing by 23% in 2011 and 201% in 2012 declining by 18.6% and 13% respectively in 2013 and 2014 and increasing by 72% in 2015. Gross profit margin, which includes repairs and other costs to ensure vehicles are delivered to customers at the Jetcon brand level of service, has varied between 15.25% percent to 19.94% over the 5-year period. The introduction of Customs user fees has resulted in a reduction in the gross profit margin in 2013 and 2014 as the company absorbed this cost. Gross profit margin recovered in 2015 due to overall lower acquisition cost of vehicles which allowed the company to increase margins while still maintaining the cost of cars at affordable levels.

Administrative And Other Expenses grew by 25% in 2015 to reach \$37.5 from \$30 million in 2014, for 2013 the cost amounted to \$33.8 million a decrease of 26% from the \$45.8 million incurred in 2012. There was a one-off management fee of \$18 million charged in 2012 for professional fees relating to advise pertaining to business operations and other matters. The increase in 2015 is due primarily to sales commission paid to sales reps because of the increased sales volumes.

Finance Costs fell in 2015 to \$4.7 million down from the \$10.5 million recorded in 2014 due to the repayment of bank loans. We expect this cost to be significantly reduced going forward as the proceeds of this IPO will reduce our dependence on our current credit facilities.

Total Comprehensive Income

Profit before tax increased from \$3.6 million in 2011 to reach \$50.6 million in 2015, while total comprehensive income increased from \$2.3 million in 2011 to \$40.3 million in 2015.

Liquidity

Jetcon Corporation Limited Cash Flows Statement historical 5 years data Dec-31

	2015	2014	2013	2012	2011
OPERATING ACTIVITIES					
Cash provided by operating activities	16,867,846	19,706,480	(18,104,216)	8,399,082	7,857,250
FINANCING ACTIVITIES					
New Loans received	7,500,000	5,999,790	21,000,000	27,500,000	5,000,000
Repayment of Loans	(16,328,386)	(9,256,262)	(8,739,609)	(34,432,527)	(11,632,067)
Director's Advances	(2,521,779)	(1,571,039)	(273,876)	(3,132,666)	(3,887,441)
Cash used in financing activities	(11,350,165)	(4,827,511)	11,986,515	(10,065,193)	(10,519,508)
CASH AND CASH EQUIVALENT - End of year	4,080,023	(1,122,263)	(15,924,772)	(9,318,465)	(7,350,209)
REPRESENTED BY:					
Cash and bank balances	5,594,368	3,044,222	2,987,738	247,329	80,145
Bank overdraft	(1,514,345)	(4,166,485)	(18,912,510)	(9,565,794)	(7,430,354)
	4,080,023	(1,122,263)	(15,924,772)	(9,318,465)	(7,350,209)

Our primary sources of liquidity include funds provided by operations and borrowings from bank term loans, revolving bank loans and overdrafts. Loans were obtained in 2013 for \$21,000,000 for working capital purposes against which \$8,739,609 was repaid and in 2012 a loan of \$27,500,000 was received for working capital purposes and to assist with repaying \$34,432,527 in loans. During 2015, liquidity was provided by \$15.6 million in cash from operations and a \$7.5 million term loan. We repaid \$16.3 million of term loans and revolving credit loans. Our liquidity profile has improved since 2011 where we have been able to generate more cash from operations to finance our business and utilize less bank financing each year. We believe that our liquidity profile will be significantly improved after this IPO from the injection of capital which will be used to fund our operations.

Income Taxes

The effective income tax rate was 20.38% in fiscal 2015, 18.85% in fiscal 2014 and 27.1% in fiscal 2013. If the shares of the company are admitted to listing on the junior market of the JSE by March 31, 2016, we expect to benefit from a relief in corporate income tax in full for from April 2016 to March 2021.

Future Outlook

Over the long term, we believe the primary driver for earnings growth will be vehicle unit sales growth and increased revenues from vehicle servicing and sales of parts. We also believe that increased preowned vehicle unit sales will drive increased sales of parts, ancillary products and vehicle servicing revenues over time. The directors are of the view that there will be continued demand for pre-owned vehicles, vehicle servicing and parts. This is based on the government's commitment to implement policies to generate economic growth, increase employment, keep interest rates low and foster increases in disposable income. To expand our vehicle unit sales we will need to continue delivering an unrivalled customer experience and hiring and developing the team members necessary to drive our success, while managing the risks posed by a competitive environment, ensuring a continued flow of vehicles for sale and continue to explore new sources of revenue. We expect that the successful completion of this share offering and the subsequent listing on the junior market will bring added exposure for the company and its brand and help to increase sales. In addition, Jetcon will be offering special discounts to shareholders who access the company's service and products.

Impact of Inflation and Jamaican dollar devaluation

Historically, inflation has not had a significant impact on results. Profitability is primarily affected by our ability to achieve targeted unit sales and gross profit dollars per vehicle rather than by changes in average retail prices.

FINANCIAL CONDITION

Liquidity and Capital Resources

Our primary ongoing cash requirements are to fund our existing operations, including capital expenditures and inventory purchases. As a result of these activities, over the last two fiscal years, we have increased the cash and cash equivalents we hold and, reduced our borrowings. Our primary ongoing sources of liquidity include funds provided by operations, and borrowings under our revolving credit facility.

We have a \$10 million secured revolving credit facility, which expires in August 31, 2016. The borrowing capacity under this credit facility was not increased during fiscal 2015. Borrowings under this facility are available for working capital and general corporate purposes, and the unused portion is fully available to us. At the date of this prospectus the balance currently used was \$nil. We also have a \$7.5 million fixed rate term loan, due to be fully repaid in April 2018. At the end of February \$5.8 million was due on this loan.

The company also has a fixed rate term loan due to be repaid in June 2016 with a balance of \$2.8 million as of the end of February. The revolving credit facility and the fixed rate loan are to be repaid from the proceeds of this IPO. We anticipate that we will be able to enter into new, funding arrangements to meet our future funding needs if required. With the proceeds of the IPO we do not envisage the need for bank funding for the next twelve months.

SECTION 10 AUDITOR'S CONSENT



Unit #9A, Seymour Park, 2 Seymour Avenue
Kingston 6, Jamaica W.I.
Telephone: (876)978-6525; 978-6689
Facsimile (876) 622-2322

18th February 2016

Jetcon Corporation Limited
2 Sandringham Avenue
Kingston 10

Dear Sirs,

Re: Prospectus to be issued by Jetcon Corporation Limited: Crooks Jackson Burnett's Review of Prospectus for the issue by Jetcon Corporation Limited of 44,500,000 Ordinary Shares by Subscription in an Initial Public Offering and listing on the Junior Market of the Jamaica Stock Exchange

With respect to the Prospectus for the issue by Jetcon Corporation Limited ("the Company") of up to 44,500,000 Ordinary Shares by subscription in an initial public offering for listing on the Junior Market of the Jamaica Stock Exchange, we hereby consent to the inclusion in the Prospectus of our audit report, dated February 18, 2016 on the statement of financial position of the Company as of December 31, 2015 and the related statements of comprehensive income, changes in equity and cash flows for period then ended, and to the references to our name in the form and context in which they are included in the Prospectus. We have also examined the extracts from the audited financial statements for the years ended December 31, 2011 to December 31, 2015 included in the Prospectus of Jetcon Corporation Limited. The information included corresponds with the information in the financial statements from which they were extracted in all material respects.

We confirm that we have not withdrawn such consent before deliver of a copy of the Prospectus to the Financial Services Commission for registration.

This letter should not be regarded as in any way updating the aforementioned report or representing that we performed any procedures subsequent to the date of such reports.

Yours faithfully

A handwritten signature in cursive script, appearing to read 'Crooks Jackson Burnett', is written over a horizontal line.

CROOKS JACKSON BURNETT

Principal: Effie M. Crooks, F.C.A; Associate: Ethlyn Crooks, A.C.A.

SECTION 11

PART 1 - HISTORICAL FINANCIAL INFORMATION

SUMMARY OF FINANCIAL POSITION FOR YEARS 2011 – 2015

Jetcon Corporation Limited					
Year ending December 31					
BALANCE SHEET	2015	2014	2013	2012	2011
Shares Issued	18,350	18,350	18,350	18,350	18,350
\$'000					
Shareholders' equity	106,704	66,354	55,888	41,339	27,481
Long Term Liability	3,908	10,726	13,058	5,537	9,280
Total Debt	11,736	23,216	41,221	19,613	24,410
Non Current Assets	30,864	31,520	34,955	33,437	32,817
Current Assets	113,237	91,140	98,724	83,573	53,631
Current Liabilities	33,490	45,581	55,385	60,787	40,340
Inventories	84,480	71,665	75,439	69,105	43,287
Receivables	18,286	14,076	10,164	4,362	2,882
Cash & Equivalent	5,594	3,044	2,988	247	80
PROFIT & LOSS					
Revenues	523,246	349,040	372,962	377,826	155,616
<i>Yearly Change (%)</i>	<i>49.91%</i>	<i>-6.41%</i>	<i>-1.29%</i>	<i>142.79%</i>	<i>9.88%</i>
Gross Profit	91,765	53,226	61,363	75,345	25,037
<i>Yearly Change (%)</i>	<i>72.41%</i>	<i>-13.26%</i>	<i>-18.56%</i>	<i>200.93%</i>	<i>23.07%</i>
Administrative & Other Expenses	37,466	30,040	33,764	45,816	16,457
<i>Yearly Change (%)</i>	<i>24.72%</i>	<i>-11.03%</i>	<i>-26.31%</i>	<i>178.40%</i>	<i>6.78%</i>
Profit/(Loss) Before Taxation	50,612	12,898	19,964	21,017	3,588
<i>Yearly Change (%)</i>	<i>292.40%</i>	<i>-35.39%</i>	<i>-5.01%</i>	<i>485.76%</i>	<i>590.00%</i>
Total Comprehensive Income	40,349	10,466	14,549	13,858	2,319
<i>Yearly Change (%)</i>	<i>285.52%</i>	<i>-28.06%</i>	<i>4.99%</i>	<i>497.59%</i>	<i>462.86%</i>
IMPORTANT RATIOS					
Debt/Equity Ratio (%)	11.00%	34.99%	73.76%	47.44%	88.83%
Current Assets ratio	3.38	2.00	1.78	1.37	1.33
Return on equity (%)	37.81%	15.77%	26.03%	33.52%	8.44%
Days Sales Inventory	71.30	60.48	63.67	58.32	36.53
Days Sales Receivable	13	15	10	4	7
Gross Profit Margin (%)	17.54%	15.25%	16.45%	19.94%	16.09%
Administrative & Other Expenses/Sales	7.16%	8.61%	9.05%	12.13%	10.58%
Net Profit Margin (%)	7.71%	3.00%	3.90%	3.67%	1.49%
Return on Assets (%)	28.00%	8.53%	10.88%	11.84%	2.68%

Jetcon Corporation Limited
Cash Flows Statement historical 5 years data
Dec-31

	2015	2014	2013	2012	2011
OPERATING ACTIVITIES					
Cash Flows after non-cash items	41,321,292	13,976,901	13,520,626	13,539,856	4,087,971
Changes in non-cash working capital components:-					
Inventories	(12,814,970)	3,774,497	(6,334,363)	(25,818,078)	(11,361,041)
Receivables	(4,209,872)	(3,911,748)	(5,802,447)	(1,480,049)	8,256,151
Payables	(12,394,550)	5,050,783	(16,869,666)	17,619,460	6,874,169
Taxation	4,965,946	816,047	(2,618,366)	4,537,893	
Cash provided by operating activities	16,867,846	19,706,480	(18,104,216)	8,399,082	7,857,250
FINANCING ACTIVITIES					
New Loans received	7,500,000	5,999,790	21,000,000	27,500,000	5,000,000
Repayment of Loans	(16,328,386)	(9,256,262)	(8,739,609)	(34,432,527)	(11,632,067)
Director's Advances	(2,521,779)	(1,571,039)	(273,876)	(3,132,666)	(3,887,441)
Cash used in financing activities	(11,350,165)	(4,827,511)	11,986,515	(10,065,193)	(10,519,508)
INVESTMENT ACTIVITIES					
Cash used in investment activities	(315,395)	(76,460)	(488,606)	(302,145)	(86,199)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	5,202,286	14,802,509	(6,606,307)	(1,968,256)	(2,748,457)
CASH AND CASH EQUIVALENT - Beginning of year	(1,122,263)	(15,924,772)	(9,318,465)	(7,350,209)	(4,601,752)
CASH AND CASH EQUIVALENT - End of year	4,080,023	(1,122,263)	(15,924,772)	(9,318,465)	(7,350,209)
REPRESENTED BY:					
Cash and bank balances	5,594,368	3,044,222	2,987,738	247,329	80,145
Bank overdraft	(1,514,345)	(4,166,485)	(18,912,510)	(9,565,794)	(7,430,354)
	4,080,023	(1,122,263)	(15,924,772)	(9,318,465)	(7,350,209)

SECTION 11: PART 2 - AUDITED FINANCIAL INFORMATION

JETCON CORPORATION LIMITED

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

 *Crooks Jackson Burnett*
Chartered Accountants

JETCON CORPORATION LIMITED
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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Auditors' Report

**To the Members of
Jetcon Corporation Limited**

We have audited the accompanying financial statements of Jetcon Corporation Limited, set out on pages 2 to 17, which comprise the statement of financial position as at December 31, 2015 and the statement of comprehensive income, statements of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

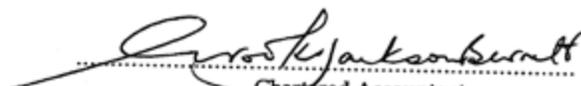
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Jetcon Corporation Limited as at December 31, 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Additional Requirements of the Jamaican Companies Act

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Act, in the manner so required.


Chartered Accountants
February 18, 2016

Principal: Effie M. Crooks, F.C.A.; Associate: Ethlyn Crooks, A.C.A.

JETCON CORPORATION LIMITED
 STATEMENT PROFIT or LOSS and OTHER COMPREHENSIVE INCOME
 YEAR ENDED DECEMBER 31, 2015

	Note	2015 ₱	2014 ₱
TURNOVER		523,245,799	349,040,626
COST OF SALES	3	<u>(431,480,153)</u>	<u>(295,814,263)</u>
GROSS PROFIT		91,765,646	53,226,363
Less:			
ADMINISTRATIVE AND OTHER EXPENSES	3	<u>(37,465,847)</u>	<u>(30,040,323)</u>
		54,299,799	23,186,040
OTHER INCOME	4	<u>1,010,164</u>	<u>236,463</u>
PROFIT FROM OPERATIONS		55,309,963	23,422,503
FINANCE COSTS	5	<u>(4,697,763)</u>	<u>(10,524,094)</u>
PROFIT BEFORE TAXATION		50,612,200	12,898,409
TAXATION	6	<u>(10,262,789)</u>	<u>(2,432,036)</u>
PROFIT AFTER TAXATION		<u>40,349,411</u>	<u>10,466,373</u>
OTHER COMPREHENSIVE INCOME:			
Decrease in fair value in available for sale investment security		<u>(144)</u>	<u>(233)</u>
TOTAL COMPREHENSIVE INCOME		<u><u>40,349,267</u></u>	<u><u>10,466,140</u></u>

JETCON CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2015

Page 3

	Note	2015 \$	2014 \$
NON-CURRENT ASSETS			
PROPERTY, PLANT and EQUIPMENT	19	30,504,360	31,145,601
INVESTMENTS	7	4,116	4,260
DEFERRED TAX ASSET	8	355,795	371,040
		<u>30,864,271</u>	<u>31,520,901</u>
CURRENT ASSETS			
Inventories	9	84,479,822	71,664,852
Receivables	10	18,285,768	14,075,895
Cash and bank balances	11	5,594,368	3,044,222
Parent company	12	4,877,282	2,355,503 *
		<u>113,237,240</u>	<u>91,140,472</u>
CURRENT LIABILITIES			
Payables	13	18,615,541	31,010,091
Bank overdraft	14	1,514,345	4,166,485
Taxation		7,045,495	2,079,549
Current portion of long-term liabilities	16	6,314,642	8,324,456
		<u>33,490,023</u>	<u>45,580,581</u>
NET CURRENT ASSETS		<u>79,747,217</u>	<u>45,559,891</u>
		<u>110,611,488</u>	<u>77,080,792</u>
EQUITY		106,703,737	66,354,470
NON-CURRENT LIABILITIES			
LONG-TERM LIABILITIES	16	3,907,751	10,726,322
		<u>110,611,488</u>	<u>77,080,792</u>

Approved by the Board of Directors on 18 February 2016 and signed on its behalf by:

..... Director

Andrew Jackson

..... Director

Carl Carby

* Restated to conform with current year's presentation.

JETCON CORPORATION LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2015

	Share capital ₹	Capital reserves ₹	Retained earnings ₹	Total ₹
Balance as at January 2014	18,350	17,196,276	38,673,704	55,888,330
Other comprehensive income for the year - fair value adjustment	-	-	(233)	(233)
Total comprehensive income	-	-	10,466,373	10,466,373
Balance as at December 2014 <i>(see note 15)</i>	18,350	17,196,276	49,139,844	66,354,470
Other comprehensive income for the year - fair value adjustment	-	-	(144)	(144)
Total comprehensive income	-	-	40,349,411	40,349,411
Balance as at December 2015 <i>(see note 15)</i>	18,350	17,196,276	89,489,111	106,703,737

JETCON CORPORATION LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

	2015	2014
	\$	\$
CASH FLOWS WERE PROVIDED BY/ (USED IN):		
OPERATING ACTIVITIES		
Net profit after taxation	40,349,267	10,466,140
Item not affecting cash resources:		
Fair value adjustment to investment instrument	144	233
Deferred tax charge/(charge)	15,245	(16,668)
Fixed assets added to vehicle inventory	-	2,246,953
Depreciation	956,636	1,280,243
	<u>41,321,292</u>	<u>13,976,901</u>
Changes in non-cash working capital components:-		
Inventories	(12,814,970)	3,774,497
Receivables	(4,209,872)	(3,911,748)
Payables	(12,394,550)	5,050,783
Taxation	4,965,946	816,047
Cash provided by operating activities	<u>16,867,846</u>	<u>19,706,480</u>
FINANCING ACTIVITIES		
New Loans received	7,500,000	5,999,790
Repayment of Loans	(16,328,386)	(9,256,262)
Parent company	(2,521,779)	(1,571,039)
Cash used in financing activities	<u>(11,350,165)</u>	<u>(4,827,511)</u>
INVESTMENT ACTIVITIES		
Purchase of property, plant and equipment	(315,395)	(76,460)
Cash used in investment activities	<u>(315,395)</u>	<u>(76,460)</u>
INCREASE IN CASH AND CASH EQUIVALENT	5,202,286	14,802,509
CASH AND CASH EQUIVALENT - Beginning of year	<u>(1,122,263)</u>	<u>(15,924,772)</u>
CASH AND CASH EQUIVALENT - End of year	<u>4,080,023</u>	<u>(1,122,263)</u>
REPRESENTED BY:		
Cash and bank balances	5,594,368	3,044,222
Bank overdraft	(1,514,345)	(4,166,485)
	<u>4,080,023</u>	<u>(1,122,263)</u>

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. Identification

The company is incorporated under the Jamaican Companies Act. It's a 78% subsidiary of St. Andrew Investments Limited, a company which is not trading. Jetcon Corporation Limited and its parent company are domiciled in Jamaica having their registered office at 2 Sandringham Avenue, Kingston 10, Jamaica.

The main activities carried out during the year were the importation and sale of motor vehicles, motor vehicle parts and the servicing of vehicles.

2. Statement of Compliance, Basis of Preparation and Significant Accounting Policies**(a) Statement of Compliance**

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed under their respective headings.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years if the revision affects both current and future periods.

Standards, Interpretations and Amendments to published Accounting Standards effective in the current year

Certain new standards, interpretations and amendments to existing standards became effective. The adoption of these standards and amendments did not have a significant impact on the statements.

New, Revised and Amended Standards and Interpretations issued but not yet effective:

At the date of approval of the financial statements, there were certain standards and interpretations which were in issue but not yet effective. Management has assessed the relevance of all such standards, interpretation and amendments, and is assessing the impact on the company of the following standards, which are considered relevant to its operations.

Amendment to IAS 1, 'Disclosure initiative'. These amendments clarify the existing requirements of IAS 1 and provide additional assistance to apply judgement when meeting the presentation and disclosure requirements IFRS. The amendment does not affect recognition and measurement and is effective for accounting periods beginning on or after 1 January 2016. The amendment is not expected to have a significant impact on the financial statements.

IFRS 9, Financial Instruments is effective for periods beginning on or after 1st January 2018. Earlier adoption is permitted. This standard replaces the existing guidance in IAS 39 - *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets - amortised cost, fair value through other comprehensive income [FVOCI] and fair value through profit or loss [FVTPL] - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

2. BASIS of PREPARATION and SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Statement of Compliance (continued)

New, Revised and Amended Standards and Interpretations issued but not yet effective [cont'd]:

IFRS 15, Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces *IAS 18 - 'Revenue'* and *IAS 11 - 'Construction Contracts'* and related interpretations. The standard is effective for accounting period beginning on or after 1 January 2017; earlier application is permitted.

IASB Annual Improvements - The IASB annual improvements project resulted in amendments to the following standards, which may be relevant to the company's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The company is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial Instruments: Disclosures', has been amended to clarify when servicing arrangements are in scope of its disclosure requirements on continuing involvements if it has an interest in the future performance of the transferred asset.

There are no other new or amended standards and interpretations that are issued but not yet effective that are expected to have a significant impact on the accounting policies or financial disclosures of the company.

Significant Accounting Policies

(b) Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue from sale of goods is recognised when the significant risks and reward of ownership have been transferred to the buyer, usually when the company has delivered the goods to the customer.

No revenue is recorded if there are significant uncertainties regarding recovery of the consideration due, the associated costs or possible return of goods.

Revenue is shown net of Consumption Tax, returns, rebates and discounts. Interest income is recognised as it accrues, unless collectibility is in doubt.

(c) Foreign Currency Transactions

i. Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ["the functional currency"]. The financial statements are presented in Jamaican dollars, which is also the company's functional currency.

ii. Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Gains or losses arising from fluctuations in exchange rates are recognised in the profit and loss account. Foreign currency balances at the balance sheet date are converted at the rates applicable for that date.

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

2. BASIS of PREPARATION and SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Policies (continued)

(d) Plant, Machinery and Equipment

Plant, machinery and equipment and other assets are carried at cost less accumulated depreciation. Depreciation is calculated on a straight line basis, (except motor vehicles, which is computed on the reducing balance basis), at rates estimated to write-off the cost of the assets over their expected useful lives. Annual rates used are as follows:

Freehold buildings	2 1/2%
Furniture, fixtures and equipment	10%/20%
Computer systems and motor vehicles	20%

Gains and losses on disposal of plant, machinery and equipment are determined by comparing proceeds with the carrying amount and are included in the profit and loss account.

Repairs and maintenance expenditure are charged to the profit and loss account during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company.

(e) Impairment of Non-Current Assets

Plant, machinery and equipment and other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of the asset's net selling price and the value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identified cash flows.

(f) Inventories

Inventories are stated at lower of cost and net realisable value, cost being determined on the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

(g) Trade Receivables

Trade receivables are carried at original invoiced amounts less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. provision is the difference between the carrying amount and the recoverable amount. The carrying amount of the asset is reduced through the use of an allowance account, and the loss is recognised in the profit or loss. When trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoverables of amount previously written off are credited to the profit or loss.

(h) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost-term deposits. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short-term deposits with original maturity of 90 days or less.

(i) Borrowings

Bank loans and overdrafts are recorded at proceeds received. Finance charges, including direct issue costs are accounted for on an accrual basis in the profit and loss account and are added to the carrying amount of the loan to the extent that they are not settled in the period in which they arise.

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

2. BASIS of PREPARATION and SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Policies (continued)

(j) Financial Instruments

Financial Instruments carried on the balance sheet include cash, investments, bank balances, receivables and payables. The particular recognition methods are disclosed in the individual policy statements associated with each of them.

(k) Investments

These are classified as *available-for-sale* investments and are stated at fair value. Unrealised gains and losses arising from changes in the fair value of these securities are recognised in equity revaluation reserve. When securities classified as *available-for-sale* are sold or impaired, the accumulated fair value adjustments are included in the profit and loss account as gains and losses from investment securities. (see note 7)

The fair value of *available-for sale* investments is based on their quoted market bid price at the balance sheet date. Where the quoted market price is not available, fair value is estimated using discounted cash flow techniques.

(l) Taxation

Taxation expense in the profit and loss account comprises both current and deferred tax.

(i) Current taxation

Current tax charges are based on taxable profit for the year, which differs from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at balance sheet date. Current and deferred taxes are recognised as income tax expense or benefit in the profit and loss account except, to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

The company's liability for current tax is calculated at tax rates that have been enacted at balance sheet date. Current and deferred taxes are recognised as income tax expense or benefit in the profit and loss account except, to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

(ii) Deferred taxation

A deferred tax charge is provided, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes. The tax rates used in these financial statements are those enacted at balance sheet date.

Deferred tax charges are recognised for temporary differences between the carrying amounts of assets and liabilities and the amounts as measured for tax purposes, which will result in taxable amounts in future periods. The carrying amounts of deferred tax is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax to be utilised.

(m) Employee Benefits

Annual leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. At year-end the company had no liability for annual leave as a result of services rendered by employees.

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

3. EXPENSES BY NATURE

Total cost of sales, administrative and selling expenses

	2015	2014
	₹	₹
Cost of Sales - Motor Vehicles	411,896,495	278,760,910
Repairs and service costs	19,583,658	17,053,353
Staff costs [see note 3(b)]	18,990,307	14,914,855
Advertising and sponsorship	2,435,782	1,772,052
Rent and utilities	5,455,147	4,968,334
Insurance	1,764,231	1,709,226
Security	1,142,061	1,046,555
Audit fee	900,000	700,000
Depreciation	956,636	1,280,243
General office expenses	5,821,683	3,649,058
	<u>468,946,000</u>	<u>325,854,586</u>

3b. STAFF COSTS

	₹	₹
Wages and statutory contributions	12,697,157	11,175,405
Statutory contributions	1,651,971	1,242,610
Director's remuneration	3,398,822	1,264,928
Staff benefits	1,242,357	1,231,912
	<u>18,990,307</u>	<u>14,914,855</u>

4. OTHER INCOME

	₹	₹
Miscellaneous income	1,010,164	234,019
Interest income	-	2,444
	<u>1,010,164</u>	<u>236,463</u>

5. FINANCE CHARGES

	₹	₹
Loan interest	2,569,720	2,840,843
Bank charges	813,651	948,142
Finance charge	62,567	145,902
Foreign exchange loss	398,755	5,572,085
Overdraft interest	853,070	1,017,122
	<u>4,697,763</u>	<u>10,524,094</u>

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

6. TAXATION

Taxation is based on profits for the year adjusted for taxation purposes, and is calculated at the rate of 25%. Taxation, as set out below, comprise: -

	2015	2014
	\$	\$
Taxation charge	9,315,027	2,448,704
Tax adjustment - prior period	932,517	-
Deferred taxation (See note 8)	15,245	(16,668)
	<u>10,262,789</u>	<u>2,432,036</u>

(a) The taxation charge differs from the theoretical amount that would arise using the income tax rate as follows:

	2015	2014
	\$	\$
Surplus for the year before taxation	50,612,200	12,898,409
Computed "expected" tax at 25%	12,653,050	3,224,602
Adjusted as a consequence of the following:		
Tax adjustment - prior period	932,517	-
Employment Tax Credit	(3,527,002)	(1,049,182)
net effect of disallowed allowances	154,225	214,375
expense not allowable for tax purposes	50,000	42,241
	<u>10,262,790</u>	<u>2,432,036</u>

7. INVESTMENTS - SECURITIES

	\$	\$
These comprise quoted securities:-		
Investment securities at the beginning of the year	4,260	4,493
Fair value adjustment to investment instrument	(144)	(233)
Market value	<u>4,116</u>	<u>4,260</u>

8. DEFERRED TAX

Deferred income tax is calculated on all temporary differences under the liability method using the rate of 25%. Deferred income tax liability/(asset) resulted as follows: -

	2015	2014
	\$	\$
Deferred tax asset at the beginning of year	(371,040)	(354,372)
Plant and equipment - deferred tax asset (see note 6)	15,245	(16,668)
Deferred tax asset at end of year	<u>(355,795)</u>	<u>(371,040)</u>

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

9. INVENTORIES

Inventories comprise:

	2015	2014
	\$	\$
Motor vehicles	36,198,651	19,749,925
Motor vehicles - bonded warehouse	22,811,740	29,729,365
Parts	1,345,530	2,540,342
Inventories on hand	60,355,921	52,019,632
Goods-in-transit	24,123,901	19,645,220
	<u>84,479,822</u>	<u>71,664,852</u>

10. TRADE, OTHER RECEIVABLES AND PREPAYMENTS

Other receivables and prepayments comprise:-

	2015	2014
	\$	\$
Trade receivables	5,553,776	4,653,632
Prepayments	351,477	339,642
Deposits	2,800,173	-
Other receivables	9,580,342	9,082,621
	<u>18,285,768</u>	<u>14,075,895</u>

11. CASH and BANK BALANCES

Cash and bank balances represent amounts held in Saving and Current Accounts denominated in Jamaican Dollars and United States Dollars.

12. PARENT COMPANY

This represents payments made by the company on behalf of the parent company.

13. TRADE, OTHER PAYABLES AND ACCRUALS

These comprise:-

	2015	2014
	\$	\$
Trade payables	8,229,093	12,313,651
Deposits - other	4,449,229	1,682,687
Statutory payables	449,403	245,895
Other accruals	5,487,816	16,767,858
	<u>18,615,541</u>	<u>31,010,091</u>

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

14. BANK OVERDRAFT

Bank overdraft is secured by means of a charge over the company's freehold premises located at 2 Sandringham Avenue, Kingston 10 and unlimited guarantees by director and shareholder. The bank overdraft attracts interest at the rate of 19.85% per annum.

15. SHARE CAPITAL and CAPITAL RESERVES

(a) Share capital

	2015	2014
	\$	\$
Authorised -		
20,000 Ordinary shares of no par value		
Issued and fully paid -		
18,350 Ordinary shares of no par value	<u>18,350</u>	<u>18,350</u>

(b) Capital reserve:

Capital reserve comprise:

	2015	2014
	\$	\$
Unrealised surplus arising from revaluation of freehold property (see note 19).	<u>17,196,276</u>	<u>17,196,276</u>

16. LONG-TERM LIABILITY

	2015	2014
	\$	\$
National Commercial Bank Jamaica Limited	6,145,072	1,555,223
JMMB Merchant Bank Limited - Loan # 1	4,077,321	11,495,555
JMMB Merchant Bank Limited - Loan # 2	-	6,000,000
	<u>10,222,393</u>	<u>19,050,778</u>
Less - Current maturities	<u>(6,314,642)</u>	<u>(8,324,456)</u>
Long-term portion	<u>3,907,751</u>	<u>10,726,322</u>

The National Commercial Bank loan was received in April 2015 and is repayable over three and one-half [3 1/2] years. Interest is fixed over the period, at a rate of 17% per annum.

The JMMB Merchant Bank loan was received in June 2013. Interest charged during 2013 was at the rate of 12.75% per annum and is secured by guarantee given by the parent company, St. Andrew Investments Limited and supported by First Legal Mortgage over residential property located at Chancery Hall, Phase II, St. Andrew.

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

17 FINANCIAL RISK MANAGEMENT

The company's activities exposes it to a variety of financial risk: (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company seeks to manage these by close monitoring of each class of its financial instruments as follows:

(a) Market risk

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company is exposed to currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than Jamaican Dollar. Foreign exchange risk arises from commercial transactions, primarily with respect to purchases, which are denominated in United States dollars. The company does not earn foreign currency to counter the effects of the fluctuation in exchange rates.

The company manages this risk by purchasing foreign currency in advance and maintaining foreign currency accounts to satisfy its foreign creditors.

Foreign currency sensitivity

Due the nature of the company's operations and the very short term nature of balances denominated in currencies other than the Jamaican dollar, there is no material impact on its operations as a result of changes in foreign currency rates.

The balance sheet at December 31, 2015 includes foreign currency liabilities of approximately US\$78,950 and foreign currency assets of US\$14,180. The exchange rate applicable at balance sheet date was US\$1 : J\$120.3434 in respect of foreign currency liabilities and US\$1 = J\$119.6090 in respect of foreign currency assets at year-end.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded on the market. The company's exposure in relation to financial instrument is minimal as these are recorded at face value and no diminution in value is expected.

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The company's cash and cash equivalents are subject to interest rate risk. The level of interest bearing deposits is low and the company has not been able to negotiate the most advantageous interest rates in relation to its overdraft; however, the terms of its long-term borrowings are considered comparable to market, based on current trends.

Interest rate sensitivity

The company has interest-bearing liabilities in the form of overdraft and loans as disclosed in notes 14 and 16 and is exposed to interest rate risk on its bank loans and overdraft as this is affected by fluctuations in market interest rates. As a result, significant movements in interest rates will impact on the company's operations. At balance sheet date its level of borrowings was moderate; however, this is subject to market conditions.

The company's current borrowing obligations are at fixed interest rate.

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

17. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk is the risk arising from a counterparty to a financial contract failing to discharge its obligations, and arises principally from the company's receivables from customers, cash and investment securities.

The maximum exposure to credit risk at reporting date is represented by the carrying value of its financial assets. The company's exposure to this risk is influenced by the individual characteristics of each customer.

Trade and other receivables

The level of trade receivables is relatively low as it is not the culture in this industry to support high levels of receivables. For those receivables as at 31 December 2015, management established specific credit arrangements with these customers after their creditworthiness determined.

Profile of the company's debtors:

<u>2015</u>	0 - 30 days	31 - 90 days	Over 90 days	Total
	\$	\$	\$	\$
Trade receivables	2,409,748	2,129,780	1,014,249	5,553,777
Prepayments and other receivables	4,241,814	2,943,012	5,547,165	12,731,991
	<u>6,651,562</u>	<u>5,072,792</u>	<u>6,561,414</u>	<u>18,285,768</u>

Impairment is assessed for each customer balance in excess of 30 days and a provision is made where collectability is deemed doubtful. At balance sheet date, 31 December 2015, bad debt provision of \$788,696 was written off against in respect of trade receivables.

<u>2014</u>	0 - 30 days	31 - 90 days	Over 90 days	Total
	\$	\$	\$	\$
Trade receivables	4,090,780	548,400	14,452	4,653,632
Prepayments and other receivables	9,067,122	257,573	97,568	9,422,263
	<u>13,157,902</u>	<u>805,973</u>	<u>112,020</u>	<u>14,075,895</u>

(c) Capital management

The company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital as well as to meet its liabilities when they fall due.

The company is not subjected to any externally imposed capital requirements.

Other than the financial liabilities quantified in these financial statements there are no *off balance sheet* items, contingent liabilities or capital commitments.

There were no changes in the company's approach to capital management during the year.

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

17. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

The company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form. Its financial liability comprise payables and accruals.

The company's financial liabilities at 31st. December 2015 and 2014 comprise payables, accruals bank overdraft and long-term loans. The table below summarises the maturity profile of the company's financial liabilities at 31st. December 2015:

	Current 2015 I\$	Current 2014 I\$	Non-current 2015 I\$	Non-current 2014 I\$
Long-term liabilities	6,314,642	8,324,456	3,907,751	10,726,322
Payables and accruals	14,166,312	16,932,854	-	-
Customer deposits	4,449,229	1,682,687	-	-
Bank overdraft	1,514,345	1,514,345	-	-
	<u>26,444,528</u>	<u>28,454,342</u>	<u>3,907,751</u>	<u>10,726,322</u>

Assets available to meet all of the above liabilities include receivables and the expected generation of cash from the normal course of trading. Motor vehicles included in inventories and/or goods-in-transit will fulfil the company's obligations in respect of its current liabilities.

18. SUBSEQUENT EVENT

At an extra-ordinary general meeting of the company held on 17th February 2016 the company unanimously passed the following written resolutions:

- i. That the authorised share capital of the company be increased by 980,000 shares to 1,000,000 ordinary shares.
- ii. That the sum of \$481,650, being part of the amount standing to credit of the company's retained earnings, be capitalised and that the directors of the company are hereby authorised to appropriate the said sum from retained earnings for the benefit of shareholders of the company registered at the close of business on the 17th February 2016 and to apply such sum in paying up in full at *par* on behalf of such shareholders 481,650 ordinary shares, ranking *pari passu* in all respects with the existing ordinary shares of the company, and that such shares be allotted and distributed credited as fully paid to among the said shareholders *pro rata* to their existing holdings in the company.
- iii. That each of the existing shares in the company (whether authorised, issued or outstanding) be subdivided into 300 shares, whereby increasing the authorised share capital from 1,000,000 ordinary shares to 300,000,000 ordinary shares.
- iv. That the company be re-registered as a public company under Section 34 of the Companies Act, 2004.

JETCON CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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19. FIXED ASSETS

	Land	Building	Computers	Motor Vehicles	Furniture Container & Fixtures	Plant & Machines	Total
	\$	\$	\$	\$	\$	\$	\$
AT COST/VALUATION							
December 31, 2013	16,800,000	13,200,000	1,796,657	6,718,560	1,403,937	1,257,440	41,176,594
Additions	-	-	56,999	-	5,799	13,662	76,460
Elimination	-	-	-	(2,246,953)	-	-	(2,246,953)
December 31, 2014	16,800,000	13,200,000	1,853,656	4,471,607	1,409,736	1,271,102	39,006,101
Additions	-	-	10,970	-	273,535	30,890	315,395
December 31, 2014	16,800,000	13,200,000	1,864,626	4,471,607	1,683,271	1,301,992	39,321,496
ACCUMULATED DEPRECIATION							
December 31, 2013	-	1,320,000	1,325,777	1,798,240	1,266,393	869,847	6,580,257
Charge for the year	-	330,000	362,540	534,673	14,043	38,987	1,280,243
December 31, 2014	-	1,650,000	1,688,317	2,332,913	1,280,436	908,834	7,860,500
Charge for the year	-	330,000	42,039	427,739	97,211	59,647	956,636
December 31, 2015	-	1,980,000	1,730,356	2,760,652	1,377,647	968,481	8,817,136
NET BOOK VALUE							
December 31, 2015	16,800,000	11,220,000	134,270	1,710,955	305,624	333,511	30,504,360
December 31, 2014	16,800,000	11,550,000	165,339	2,138,694	129,300	362,268	31,145,601
December 31, 2013	7,172,007	11,880,000	470,880	4,920,320	137,544	387,593	34,596,337

The company's freehold land and building were revalued during 2009 by independent valuers, Allison Pitter & Company. The valuation was done on the basis of open market value. The valuation surplus, was credited to capital reserves.

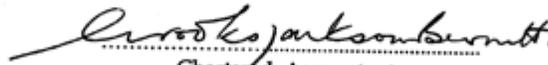
Unit #9A, Seymour Park, 2 Seymour Avenue
Kingston 6, Jamaica W.I.
Telephone: (876)978-6525; 978-6689
Facsimile (876) 622-2322

Auditor's Report

To the directors of
Jetcon Corporation Limited

The supplementary information set out on pages 19 to 20 taken from the accounting records of the company, is the responsibility of the management and directors. The directors and management are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, follow applicable accounting standards and prepare the financial statement on a going concern basis unless it is inappropriate to presume that the company will continue in business for the foreseeable future. We have subjected the accounting records to tests and other auditing procedures applied in our examinations of the company's financial statements for the year ended December 31, 2015.

In our opinion this information, although not necessary for the true presentation of the company's state of affairs, result of operations, changes in equity or cash flows, is fairly presented in all material respects in relation to the financial statements taken as a whole.


Chartered Accountants
February 18, 2016

Principal: Effie M. Crooks, F.C.A.; Associate: Ethlyn Crooks, A.C.A.

JETCON CORPORATION LIMITED
DETAILED PROFIT AND LOSS STATEMENT
YEAR ENDED DECEMBER 31, 2015

	2015	2014
	\$	\$
INCOME		
Motor vehicle sales	517,312,368	342,608,459
Motor vehicle servicing	5,503,887	3,910,672
Part sales	429,544	2,521,495
	<u>523,245,799</u>	<u>349,040,626</u>
LESS DIRECT EXPENSES:		
Cost of Sales - Motor Vehicles	410,618,425	277,945,972
Freight	1,278,070	814,938
Motor vehicle parts and servicing	15,457,389	15,155,292
Other direct costs	4,126,269	1,898,061
	<u>431,480,153</u>	<u>295,814,263</u>
GROSS PROFIT	91,765,646	53,226,363
LESS: ADMINISTRATIVE AND OTHER EXPENSES	37,465,847	30,040,323
	<u>54,299,799</u>	<u>23,186,040</u>
OTHER INCOME		
Other income	1,010,164	234,019
Interest income	-	2,444
	<u>1,010,164</u>	<u>236,463</u>
OPERATING PROFIT	55,309,963	23,422,503
FINANCIAL EXPENSES		
Finance charge	4,697,763	10,524,094
NET PROFIT FOR THE YEAR	<u>50,612,200</u>	<u>12,898,409</u>

JETCON CORPORATION LIMITED
ADMINISTRATIVE AND OTHER EXPENSES
YEAR ENDED DECEMBER 31, 2015

	2015	2014
	\$	\$
Wages and statutory contributions	14,349,128	12,418,015
Staff welfare and benefits	528,381	487,374
Directors' salary	3,398,822	1,264,928
Group life and medical insurance	713,976	744,538
Advertising and promotion	2,435,782	1,772,052
Telephone	1,842,806	1,281,676
Electricity	1,310,265	1,293,056
Rates and taxes	439,076	532,102
Postage and courier	39,000	35,614
Printing and stationery	232,404	111,009
Travelling expenses	1,955,962	1,218,008
Audit fees	900,000	700,000
Accounting fees	200,000	120,000
Repairs and maintenance	1,394,339	710,485
Equipment rental	32,959	28,093
Rental expense	1,863,000	1,861,500
Professional and related fees	124,776	76,258
Donations	107,100	187,830
Subscriptions	146,653	168,143
Depreciation	956,636	1,280,243
General office expenses	1,331,940	629,093
Security	1,142,061	1,046,555
Insurance	1,764,231	1,709,226
Motor vehicle licence and insurance	56,550	195,561
Penalty and interests	-	68,964
Asset tax	200,000	100,000
	<u>37,465,847</u>	<u>30,040,323</u>
FINANCE CHARGES		
Finance charge	62,567	145,902
Loan interest	2,569,720	2,840,843
Bank charges	813,651	948,142
Foreign exchange loss	398,755	5,572,085
Overdraft interest	853,070	1,017,122
	<u>4,697,763</u>	<u>10,524,094</u>
	<u>42,163,610</u>	<u>40,564,417</u>

SECTION 12 RISK FACTORS

We are subject to a variety of risks, the most significant of which are described below. Our business, sales, results of operations and financial condition could be materially adversely affected by any of these risks.

We operate in a highly competitive industry. Failure to develop and execute strategies to remain a preferred retailer of *pre-owned* vehicles could adversely affect our business, sales and results of operations.

Automotive retailing is a highly competitive and highly fragmented business. Our competition includes privately owned new and pre-owned car dealers, as well as private individuals. Competitors buy and sell the same or similar makes of vehicles that we offer at competitive prices. New car dealers have also increased their sales of pre-owned vehicles in recent years. These factors could make it more difficult for us to differentiate our customer offering from competitors' offerings, and could result in lower-than-expected margins and could have a material adverse effect on our business, sales and results of operations.

Jetcon was founded on the fundamental principle of integrity. Failure to maintain a reputation of integrity and otherwise to maintain and enhance our brand could adversely affect our business, sales and results of operations.

Our reputation as a company that is founded on the fundamental principle of integrity is critical to our success. Our reputation as a retailer offering low, affordable competitive prices, a broad selection of pre-owned vehicles and superior customer service is also critical to our success. If we fail to maintain the high standards upon which our reputation is built, or if an event occurs that damages this reputation, it could adversely affect consumer demand and have a material adverse effect on our business, sales and results of operations. Such an event could include an isolated incident particularly if such incident results in adverse publicity, governmental investigations, or litigation. The growing use of social media increases the speed with which information and opinions can be shared and thus the speed with which reputation can be affected. We monitor social media and attempt to address customer concerns, provide accurate information and protect our reputation, but there can be no guarantee that our efforts will succeed. If we fail to correct or mitigate misinformation or negative information, including information spread through social media or traditional media channels, about the vehicles we offer, our customer experience, or any aspect of our brand, it could have a material adverse effect on our business, sales and results of operations.

The automotive retail industry in general and our business in particular are sensitive to economic conditions. These conditions could adversely affect our business, sales, results of operations and financial condition.

We are subject to national economic conditions. These conditions include, but are not limited to, recession, inflation, interest rates, unemployment levels, the state of the housing market, gasoline prices, consumer

credit availability, consumer credit delinquency and loss rates, personal discretionary spending levels, and consumer sentiment about the economy in general. These conditions and the economy in general could be affected by significant national or international events. When these economic conditions worsen or stagnate, it can have a material adverse effect on consumer demand for vehicles generally, including the pre-owned vehicles that we sell, and the availability of consumer credit to finance vehicle purchases. This could result in lower sales, or decreased margins on units sold. Worsening or stagnating economic conditions in source markets can also have a material adverse effect on the supply of late-model pre-owned vehicles, as automotive manufacturers produce fewer new vehicles and consumers retain their current vehicles for longer periods of time. This could result in increased costs to acquire pre-owned vehicle inventory and decreased margins on units sold. While many of these indicators have improved more recently, there can be no assurance that they will continue to do so or that improvements will result in benefits to our sales and results of operations. Any significant change or deterioration in economic conditions could have a material adverse effect on our business, sales, results of operations and financial condition.

Our business is dependent upon capital to fund growth. Changes in capital and credit markets could adversely affect our business, sales, results of operations and financial condition.

While we do not foresee an immediate need for additional financing subsequent to this IPO, changes in the availability or cost of capital and working capital financing, including long-term financing to support expansion, could adversely affect future sales and operating strategies. Disruptions in the capital and credit markets could adversely affect our ability to secure financing as and when needed. If our ability to secure funds from the facility were significantly impaired, our access to working capital could be impacted and our ability to maintain appropriate inventory levels could be affected and these conditions—especially if coupled with a failure to generate significant cash flows—could have a material adverse effect on our business, sales, results of operations and financial condition.

We rely on Banks, Credit Unions and other third-party financing providers to finance a significant portion of our customers' vehicle purchases. Accordingly, our sales and results of operations are partially dependent on the actions of these third parties.

Financing for motor vehicle purchasers is provided to qualified customers through a number of third-party financing providers. If one or more of these third-party providers cease to provide financing to our customers, provide financing to fewer customers or no longer provide financing on competitive terms, it could have a material adverse effect on our business, sales and results of operations.

Our success depends upon the continued contributions of our team members.

Our team members are the driving force behind our success. We believe that one of the things that sets Jetcon apart is a culture centred on valuing all of our team members. Our failure to maintain this culture or a failure to continue recruiting, developing and retaining the team members that drive our success could

have a material adverse effect on our business, sales and results of operations. Our ability to recruit or retain team members while controlling related costs is subject to numerous external and internal factors, including unemployment levels, prevailing wage rates, our growth plans, changes in employment legislation, and competition for qualified employees in the industry in which we operate and for qualified service technicians in particular. Our ability to recruit team members while controlling related costs is also subject to our ability to maintain positive team member relations. If we are unable to do so, or if despite our efforts we become subject to successful unionization efforts, it could increase costs, limit our ability to respond to competitive threats and have a material adverse effect on our business, sales and results of operations.

We collect sensitive information from our customers. A breach of this confidentiality, whether due to a cyber-security or other incident, could result in harm to our customers and damage to our brand.

We collect, process and retain sensitive customer information in the normal course of business. This information includes the information customers provide when purchasing a vehicle. We also collect, process and retain sensitive employee information in the normal course. Although we have taken measures designed to safeguard such information and have received assurances from our third-party providers, our facilities and systems, and those of third-party providers, could be vulnerable to external or internal security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors or other similar events. Any security breach involving the misappropriation, loss or other unauthorized disclosure of confidential customer or employee information, whether experienced by us or by our third-party service providers, and whether due to an external cyber-security incident, a programming error, or other cause, could damage our reputation, expose us to mitigation costs and the risks of private litigation and government enforcement, disrupt our business, and otherwise have a material adverse effect on our business, sales and results of operations. In addition, our failure to respond quickly and appropriately to such a security breach could exacerbate the consequences of the breach.

Our business is sensitive to changes in the prices of new and pre-owned vehicles.

Any significant changes in retail prices for new and pre-owned vehicles could have a material adverse effect on our sales and results of operations. For example, if retail prices for pre-owned vehicles rise relative to retail prices for new vehicles, it could make buying a new vehicle more attractive to our customers than buying a pre-owned vehicle, which could have a material adverse effect on sales and results of operations and could result in decreased pre-owned margins.

Our business is dependent upon access to vehicle inventory. Obstacles to acquiring inventory, whether because of supply, competition, or other factors, or a failure to liquidate that inventory expeditiously could have a material adverse effect on our business, sales and results of operations.

A reduction in the availability of, or access to, sources of inventory could have a material adverse effect on our business, sales and results of operations. Although the supply of late-model pre-owned vehicles

appears to be increasing recently, there can be no assurance that this trend will continue or that it will benefit Jetcon. We source our vehicles from Japan through our Japanese dealer network. Accordingly, if we fail to stay in line with broader market trends, or fail to recognize those trends, it could adversely affect our ability to acquire inventory. Pre-owned vehicle inventory is subject to depreciation risk. Accordingly, if we develop excess inventory, the inability to liquidate such inventory at prices that allow us to recover our costs could have a material adverse effect on our results of operations.

We operate in a regulated industry and are subject to a range of local laws and regulations. Changes in these laws and regulations, or our failure to comply, could have a material adverse effect on our business, sales, results of operations and financial condition.

We are subject to a range of local laws and regulations. Our sale of pre-owned vehicles is subject to licensing requirements and laws. Our facilities and business operations are subject to laws and regulations relating to environmental protection and health and safety. The violation of any of these laws or regulations could result in administrative, civil or criminal penalties or in a cease and-desist order against our business operations, any of which could damage our reputation and have a material adverse effect on our business, sales and results of operations. We have incurred and will continue to incur operating expenses and other costs to comply with these laws and regulations. Changes in laws and regulatory initiatives and reforms may result in an increase in expenses or a decrease in revenues, which could have a material adverse effect on our results of operations.

We rely on information systems to run our business. The failure of these systems could have an adverse effect on our business, sales and results of operations.

As we grow, we will rely more on our information systems to manage sales, inventory, our customer-facing website (Jetconcars.com) and customer information. The failure of these systems to perform as designed, or the failure to maintain or update these systems as necessary, could disrupt our business operations and have an adverse effect on our sales and results of operations. In addition, despite our ongoing efforts to maintain and enhance the integrity and security of these systems, we could be subjected to attacks by hackers, including denial-of-service attacks directed at our websites or other system breaches or malfunctions due to team member error or misconduct or other disruptions. Such incidents could disrupt our business and have an adverse effect on sales and results of operations.

Our results of operations and financial condition are subject to management's accounting judgments and estimates, as well as changes in accounting policies.

The preparation of our financial statements requires us to make estimates and assumptions affecting the reported amounts of Jetcon's assets, liabilities, revenues, expenses and earnings. If these estimates or assumptions are incorrect, it could have an adverse effect on our results of operations or financial condition. The implementation of new accounting requirements or other changes to International Financial

Reporting Standards (IFRS) and Generally Accepted Accounting Principles could have an adverse effect on our reported results of operations and financial condition.

Admission of the Shares to the Junior Market of the JSE

After the Closing Date, and assuming that the Company is able to raise at least J \$86,850.000 as a result of the Invitation by the Closing Date, the Company will make application to the JSE to admit the Shares to the Junior Market. However, the Company is not able to guarantee the full subscription of the Shares in the Invitation or the admission of the Shares to the Junior Market.

Risk In Relation To First Issue

This being the first public issue of Shares by the Company, no formal market for the Ordinary Shares has been established. The Invitation Price for each of the Ordinary Shares has been determined by the Directors on the advice of JMMB Securities as lead broker and financial adviser to the Company. The Invitation Price should not be taken to be indicative of the market price of the Ordinary Shares after they are listed on the Jamaica Stock Exchange. No assurance can be given regarding active or sustained trading in either the Shares of the Company or regarding the price at which either of the Shares will be traded subsequent to listing of the Shares on the Jamaica Stock Exchange.

Listing

There is also no assurance that either of the Shares will remain listed on the JSE. Although it is currently intended that the Shares will remain listed on the JSE, there is no guarantee of the continued listing of the Shares. Among other factors, the Company may not continue to satisfy any future listing requirements of the JSE. Accordingly, Shareholders will not be able to sell their Shares on the JSE if the Shares are no longer listed on the JSE.

Risk Relating To Marketability of the Shares

The Shares, even if listed on the Jamaica Stock Exchange, may not be readily saleable and shareholders who may want to “cashout” may not be able to do so or may only be able to do so at a discount.

Trading Prices and Other Volatility

The trading price of the Shares may fluctuate significantly after their listing on the JSE (or irrespective of it). Some of the reasons for fluctuations in the prices of the Shares include but are not limited to:

- announcements of developments related to the Company’s business;
- the issue of additional Shares by the Company from time to time;
- changes in the law affecting the automobile industry in Jamaica.
- Developments in the general economy of Jamaica.

The Shares may experience flat trading, being very infrequent or insignificant volumes of trading, either or which may extend beyond the short term and which may be dependent on the Company's financial performance, as well as on investors' confidence and other factors over which the Company has no control. In either case the market price of the Shares may be negatively affected or constrained from growing. Also, the Jamaican stock market is relatively small and the market in the Shares is expected to be relatively thin compared to larger capital markets, trades in small quantities of either or both of the Company's Shares can trigger wide swings (up or down) in the market price of either or both of the Shares and make it easier for the stock price to be manipulated.

Effective Control of the Company By Certain Of The Directors

The allotment of Ordinary Shares as a result of the Invitation will not confer legal or effective control of the Company on Applicants. The Company is controlled by St Andrew Investments Limited, in which Andrew Jackson and Gillian Jackson are the shareholders.

Revocation of Tax Concessions Risk

If the Company is admitted to the Junior Market, it must remain listed on the JSE trading platforms for a continuous period of 10 years in order to be eligible for the concessionary tax regime described in Section 7.4. If the Company is de-listed at any time during the first ten years on the Junior Market, it will become retrospectively liable to pay corporate income tax at the rate that would otherwise have been applicable to it during the concessionary period.

Risk of Catastrophic Events

Property and casualty insurers are subject to claims for property damage and business interruption arising out of natural disasters and other catastrophes, which may have a significant impact on their results of operations and financial condition. Natural disasters and other catastrophes can be caused by various events including, but not limited to, hurricanes, earthquakes, tornadoes, wind, hail, fires and explosions, and the incidence and severity of natural disasters and other catastrophes are inherently unpredictable. The extent of losses from a catastrophe is a function of 2 factors: the total amount of insured exposure in the area affected by the event and the severity of the event. Most natural disasters and other catastrophes are localized; however, hurricanes, earthquakes and floods have the potential to produce significant damage in widespread areas.

SECTION 13 PROFESSIONAL ADVISERS TO THE COMPANY

Financial Advisers

JMMB Securities Limited
6 Haughton Terrace
Kingston 10

Auditors

Crooks Jackson Burnett
Unit 9a, 2 Seymour Avenue
Kingston 6

Registrars and Transfer Agents

Jamaica Central Securities Depository Limited
40 Harbour Street
Kingston

Lead Broker

JMMB Securities Limited
6 Haughton Terrace
Kingston 10

Legal Advisors to the Issuer

Hart Muirhead Fatta
Attorneys-at-Law
2nd Floor

Victoria Mutual Building
53 Knutsford Boulevard
Kingston 5

Legal Advisors to the Broker

Harrison & Harrison
Attorneys-at-Law
Suite 1, 16 Hope Road
Kingston 10

LOCATIONS WHERE APPLICATIONS MAY BE SUBMITTED:

JAMAICA MONEY MARKET BROKERS LIMITED

HAUGHTON AVENUE

5 Haughton Avenue
Kingston 10
Tel: (876) 998 5662
Fax: (876) 920 7281 / 998 9380

KNUTSFORD BOULEVARD

11 Knutsford Boulevard
Kingston 5
Tel: (876) 998 5662
Fax: (876) 960 3927 / 960 4455

PORTMORE

47- 48 West Trade Way
Portmore Town Centre
Portmore, St. Catherine
Tel: (876) 998 5662
Fax: (876) 939 3207

MANDEVILLE

23 Ward Avenue
Mandeville, Manchester
Tel: (876) 625 2351
Fax: (876) 625 2352

MONTEGO BAY

Suite 1 Shop 28B,
Fairview Office Park
Alice Eldemire Drive
Montego Bay, St. James
Tel: (876) 998 5662
Fax: (876) 979 1566

MAY PEN

Bargain Village Plaza
35 Main Street
May Pen, Clarendon
Tel: (876) 998 5662
Fax: (876) 786 3660

OCHO RIOS

Guardian Life Building
2 Graham Street
Ocho Rios, St. Ann
Tel: (876) 795 3627 / 795 3542
Fax: (876) 795 3886

SANTA CRUZ

Shop #2, Oasis Plaza
Coke Drive
Santa Cruz, St. Elizabeth
Tel: (876) 998 5662
Fax (876) 966 9816

JUNCTION AGENCY

Shop 2, Roye's Plaza
Main Street, Junction
St. Elizabeth
Tel: (876) 965 8005

JMMB MERCHANT BANK LIMITED

KNUTSFORD BOULEVARD

11 Knutsford Boulevard

Kingston 5

Tel: (876) 998 5662

Fax: (876) 960 3927 / 960 4455

MONTEGO BAY

25 Church Street

Montego Bay, St. James

Tel: (876) 979 1707

Fax: (876) 952-4647

OCHO RIOS

Guardian Life Building

2 Graham Street

Ocho Rios, St. Ann

Tel: (876) 795 3627 / 795 3542

Fax: (876) 795 3886

SECTION 14 STATUTORY AND GENERAL INFORMATION

14.1 Statutory Information required to be set out in this Prospectus by section 41 and the Third Schedule to the Companies Act

- (1) The Company has no founders, management, or deferred shares.
- (2) The Articles of Incorporation fix no shareholding qualification for directors and none has been otherwise fixed by the Company in general meeting.
- (3) The Articles of Incorporation contain the following provisions with respect to the remuneration of Directors:
 - (a) The Company in general meeting shall from time to time determine the remuneration of the directors. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings or any committee of the Directors or general meetings of the Company in connection with the business of the Company.
 - (b) A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.
 - (c) A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or management entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established.
 - (d) Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he

were not a director; provided that nothing herein contained shall authorise a director or his firm to act as auditor to the company.

- (e) The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
 - (d) A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors may determine.
- (4) The names and descriptions of the Directors of the Company appear in Section 8 of this Prospectus. The addresses of the Directors are as follows:
- | | |
|----------------------|--|
| John Jackson | 12 Merrick Ave, Kingston 10, St Andrew. |
| Andrew B. Jackson | 1 Deeside Mews Kingston 10, St Andrew. |
| Andrew J. Jackson | 6 Dunrobin Park, Kingston 10, St Andrew. |
| Garth McKenzie | Lot 53 Sand Close
Johnson Hill Hellshire, St Catherine. |
| Carl Carby | 6 1/2 Montrose Road, Kingston 10, St Andrew. |
| Karl P. Wright | 24 Wellington Dr, Kingston 6, St Andrew . |
| Dr. Christine Clarke | B7, Gary Player Circle
Caymanas Country Club, St Catherine. |
- (5) The minimum amount required to be raised out of the proceeds of the Invitation to provide for the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Companies Act (the “minimum subscription”) is \$86,500,000.
 - (6) The Invitation will open for subscription at 9:00 a.m. on the Opening Date and will close at 4:30 pm on the Closing Date subject to the Company’s right to close the application

- list at any time after 9:00 a.m. on the Opening Date if Applications have been received for an amount equal to or greater than the Shares in the Invitation, or to extend the Closing Date for any reason whatsoever.
- (7) All Applicants will be required to pay in full the applicable price per Ordinary Share as specified in this Prospectus. No further sum will be payable on allotment.
 - (8) No previous offer of shares in the Company has been made to the public.
 - (9) Save as set out in paragraph 17 below no person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of, the Company.
 - (10) As at December 31, 2015 the date to which the Audited Financial Information in Section 11 is made up, the Company held investments amounting to \$4,116.00.
 - (11) There is no amount for goodwill, patent, or trademarks shown in the financial statements of the Company. There is no contract for sale and purchase, which would involve any goodwill, patent or trademarks.
 - (12) As at December 31, 2015 the date to which the Audited Financial Information in Section 11 is made up, the aggregate amount of indebtedness of the Company was \$11,736,000.00; as at December 31, 2015 the Company had an overdraft of 1,514,344.82.
 - (13) Apart from such amounts already recommended for distribution by way of dividend and paid accordingly, no further amount is recommended for distribution by way of dividend, and accordingly paragraph 5(1)(d) of Part I of the Third Schedule to the Act does not apply.
 - (14) No real property is currently proposed to be purchased or acquired by the Company and paid for wholly or partly out of the proceeds of this Invitation for the purposes of paragraphs 6 to 9 (inclusive) of Part 1 of the Third Schedule of the Companies Act.
 - (15) Regarding paragraph 10(1)(a) of Part 1 of the Third Schedule to the Act, within the two preceding years, no commission has been paid, nor will any be payable by the Company to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company.
 - (16) The Company expects to pay the expenses of the Invitation out of the proceeds of its fundraising, and the Company estimates that such expenses will not exceed \$11,000,000.00 (inclusive of brokerage and financial advisory fees, financial consultant's

fees, legal fees, consultancy fees, auditors' fees, marketing expenses Companies Registrar's fees, initial fees and GCT).

- (17) Regarding paragraph 10(1)(c) of Part 1 of the Third Schedule to the Act, within the last two years preceding the date of this Prospectus no amount or benefit has been paid or given or is intended to be paid or given to any promoter save for: JMMB Securities Limited for financial advisory and brokerage services associated with the Issue and the listing of the Shares on the Jamaica Stock Exchange under an agreement dated February 3, 2016. The agreement provides for JMMB Securities Limited to act as lead broker and financial adviser to the Issue (inclusive of transaction management services, company valuation, lead brokerage, and the development of a marketing strategy for the purposes of the Issue).
- (18) The material contracts of the Company are set out in Section 7.10 The name and address of the auditors to the Company is Crooks Jackson Burnett, Unit 9a, 2 Seymour Avenue, Kingston 6.
- (19) Crooks Burnett Jackson has given and has not withdrawn its consent to the issue of this Prospectus with the inclusion of the Financial Information, and its name in the form and context in which it is included.
- (20) The issue is not underwritten.

SECTION 15 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of JMMB Securities Limited, 6 Houghton Terrace, Kingston 10 between the hours of 9:00 a.m. to 4:00 p.m. on Mondays to Fridays, up to and including the Closing Date (or the extended Closing Date as the case may be):

- (1) The Certificate of Incorporation of the Company dated 25th October, 1994.
- (2) The Articles of Incorporation of the Company adopted by the Shareholders of the Company on 17th February 2016.
- (3) The audited accounts for the financial years ending 2011 to 2015 inclusive.
- (4) Copies of the Licence to Operate Bonded Warehouse and Trade Board Licence.
- (5) The consent of Crooks Jackson Burnett, to the inclusion of its name in the form and context in which it appears in this Prospectus.

SECTION 16 DIRECTORS' SIGNATURES

The Directors whose signatures appear below are individually and collectively responsible for the contents of the Prospectus:



John Jackson
Chairman



Garth McKenzie



Andrew Jackson



Andrew Joel Jackson



Christine Clarke



Carl Carby



Karl Wright

