

JASA KITA BERHAD (239256-M)

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the Quarter Ended 30 September 2015**

	Note	Current Quarter		Year To-date	
		<u>30/09/15</u>	<u>30/09/14</u>	<u>30/09/15</u>	<u>30/09/14</u>
		3-month	3-month	6-month	6-month
		RM'000	RM'000	RM'000	RM'000
Revenue	9	12,120	18,416	23,739	34,577
Cost of sales		(8,881)	(13,157)	(17,172)	(25,083)
Gross profit		3,239	5,259	6,567	9,494
Other income		363	478	701	811
Other expenses		(3,213)	(2,940)	(5,872)	(5,747)
Administration expenses		(133)	(192)	(243)	(262)
Profit before tax	10	256	2,605	1,153	4,296
Income tax expense	20	(100)	(669)	(317)	(1,135)
Profit for the period		156	1,936	836	3,161
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		156	1,936	836	3,161
Profit and total comprehensive income attributable to :					
Owners of the parent		157	1,937	838	3,163
Non-controlling Interest		(1)	(1)	(2)	(2)
		156	1,936	836	3,161
Earnings per share attributable to owners of the parent					
Basic (sen)	25	0.03	0.43	0.19	0.70

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes.

JASA KITA BERHAD (239256-M)

Condensed Consolidated Statements of Financial Position

	Note	As at <u>30/09/15</u> RM'000	As at <u>31/03/15</u> RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	10,749	10,777
Investment properties		4,607	4,622
Intangible asset		444	471
Deferred tax assets		136	144
<u>Current assets</u>			
Inventories		22,108	26,543
Trade receivables		17,436	19,264
Non-trade receivables, deposits and prepayments		660	1,119
Investment securities		5,130	5,043
Deposits with licensed financial institutions		27,557	29,157
Cash and bank balances		9,942	5,261
		82,833	86,387
TOTAL ASSETS		98,769	102,401
EQUITY AND LIABILITIES			
Share Capital	7	44,955	44,955
Retained earnings		49,320	48,482
Attributable to Equity holders of the parent		94,275	93,437
Non-controlling Interest		7	9
TOTAL EQUITY		94,282	93,446
<u>Current liabilities</u>			
Trade payables		2,056	7,391
Non-trade payables and accruals		2,048	892
Tax payable		383	672
		4,487	8,955
TOTAL EQUITY AND LIABILITIES		98,769	102,401
Net assets per share (RM)		0.21	0.21

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes.

**Condensed Consolidated Statements of Changes in Equity
For the Quarter Ended 30 September 2015**

	<-- Attributable to Owners of the Company -->				
	Share Capital RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<u>At 1 April 2014</u>	44,955	44,782	89,737	16	89,753
Profit for the period represents total comprehensive income for the period	-	3,163	3,163	(2)	3,161
Dividend paid	-	-	0	-	-
At 30 September 2014	44,955	47,945	92,900	14	92,914
<u>At 1 April 2015</u>	44,955	48,482	93,437	9	93,446
Profit for the period represents total comprehensive income for the period	-	838	838	(2)	836
Dividend paid	-	-	0	-	-
At 30 September 2015	44,955	49,320	94,275	7	94,282

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes.

JASA KITA BERHAD (239256-M)

Condensed Consolidated Statements of Cash Flows
For the Quarter Ended 30 September 2015

	6-month 30/09/15 RM'000	6-month 30/09/14 RM'000
Cash flows from operating activities		
Profit before taxation	1,153	4,296
Adjustments for:		
Depreciation of property, plant and equipment	357	282
Gain on disposal of property, plant and equipment	(14)	(11)
Unrealised foreign exchange gain	(9)	-
Interest expense	-	-
Investment income	(87)	-
Interest income	(298)	(553)
Operating profit before changes in working capital	1,102	4,014
Changes in working capital:		
Inventories	4,435	621
Receivables	2,287	(5,374)
Payables	(4,170)	(25)
Cash generated from operations	3,654	(764)
Taxation paid	(599)	(911)
Interest paid	-	-
Net cash from/(used in) operating activities	3,055	(1,675)
Cash flows from investing activities		
Purchase of property, plant and equipment	(287)	(49)
Proceeds from disposal of property, plant and equipment	15	14
Interest received	298	553
Net cash from investing activities	26	518
Net increase/(decrease) in cash and cash equivalents	3,081	(1,157)
Cash and cash equivalents as at 1 April	34,418	39,078
Cash and cash equivalents as at end of period	37,499	37,921
Cash and cash equivalents comprise the following amounts:		
Deposits with licensed banks	27,557	31,357
Cash and bank balances	9,942	6,564
	37,499	37,921

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015)

Part A - Explanatory Notes

1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 : *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2015.

2 Significant Accounting Policies

The significant accounting policies and computation methods are consistent with those of the audited financial statements for the year ended 31 March 2015.

The following MFRSs, Amendments to MFRSs and IC Interpretation have been issued by the MASB but are not yet effective for and have not been applied by the Group:

Effective for annual periods commencing on or after 1 January 2016

Amendments to MFRS 127: Equity method in Separate Financial Statements

Amendments to MFRS 10 and MFRS 128: Sale or Contributions of Assets between an Investor and its Associate or Joint Venture

Annual Improvements to MFRSs 2012-2014 Cycle

Amendments to MFRS 101: Disclosure Initiatives

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

Effective for annual periods commencing on or after 1 January 2017

MFRS 15 Revenue from Contracts with Customers

Effective for annual periods commencing on or after 1 January 2018

MFRS 9 Financial Instruments (2014)

The amendments to MFRS 127 allow an entity to use the equity method in its separate financial statement to account for investments in subsidiary companies, joint ventures and associated companies, in addition to the existing cost method. The adoption of the amendments to MFRS 119 will not have any financial impact to the Group as it will continue to use its existing cost method to account for its investments in subsidiary companies and associated companies.

The amendments to MFRS 10 and MFRS 128 address the inconsistency between the requirements of MFRS 10 and MFRS 128 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The adoption of these amendments are not expected to have any material impact on the financial statements of the Group.

The Annual Improvements to MFRSs 2012-2014 Cycle consist of the following amendments:

a) MFRS 5: Non-current Assets Held for Sale and Discontinued Operations

The amendment introduces specific guidance in MFRS for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution is discontinued. The amendment clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal and that changing the disposal method does not change the date of classification.

b) MFRS 7: Financial Instruments: Disclosures

MFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset and an entity must assess the nature of the fee and arrangement in order to assess whether the disclosures are required. The amendments also clarify the applicability of the amendments to MFRS 7 on offsetting disclosures to condensed interim financial statements.

c) MFRS 119: Employee Benefits

The amendment clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. When there is no deep market for high quality corporate bonds, government bonds denominated in similar currency must be

Part A - Explanatory Notes

2 Significant Accounting Policies

d) MFRS 134: Interim Financial Reporting

The amendment clarifies the meaning of 'elsewhere in the interim financial report' as used in MFRS 134 and states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and some other statement that is available to users of financial statements on the same terms and at the same time.

The adoption of the Annual Improvements to MFRSs 2012-2014 Cycle is not expected to have any material impact on the financial statements of the Group.

The amendments to MFRS 101 aim to improve the presentation and disclosure in the financial statements and are designed to encourage companies to apply professional judgement in determining what information to disclose and how to structure it in their financial statements. Since the amendments only affect disclosures, the adoption of these amendments is not expected to have any financial impact on the Group.

The amendments to MFRS 10, MFRS 12 and MFRS 128 address issues that have arisen in the application of the consolidation exception for investment entities and provide relief in certain circumstances. The amendments clarify the exemption from preparing consolidated financial statements for an intermediate parent entity, a subsidiary providing services that support the parent's investment activities, application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity, and the disclosures required. The adoption of these amendments is not expected to have any impact on the financial statements of the Group.

MFRS 15 establishes principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The core principle of MFRS 15 is that an entity recognises revenue in a manner which reflects the consideration an entity expects to be entitled in exchange for goods or services. The adoption of MFRS 15 is not expected to have any material impact on the financial statements of the Group.

MFRS Financial Instruments (2014)

This final version of MFRS 9 replaces all previous versions of MFRS 9. Retrospective application is required, but comparative information is not compulsory. The standard introduces new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. The approach for classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held with two measurement categories - amortised cost and fair value. For impairment, MFRS 9 introduces an expected-loss impairment model which will require more timely recognition of expected credit losses to reflect changes of credit risk of financial instruments. For hedge accounting, MFRS 9 establishes a more principle-based approach that aligns the accounting treatment with risk management activities so that entities can reflect these activities in their financial statements. The standard does not explicitly address macro hedge accounting, which is being considered in a separate project. MFRS 9 introduces significant changes in the way the Group accounts for financial instruments. Due to the complexity of the standard and its requirements, the financial effects of its adoption are still being assessed by the Group.

3 Auditors' Report

The auditors' report on the financial statements for the year ended 31 March 2015 was not subject to any qualification.

4 Seasonality or Cyclical Factors

There were no material factors of a seasonal or cyclical nature which affected the operations of the Group during the current financial quarter and financial year.

5 Unusual Items

There were no items in the current quarter affecting assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size or incidence.

Part A - Explanatory Notes

6 Changes in Estimates

There were no other changes in estimates of amounts reported previously, that would have had a material effect on the figures reported in the current financial year.

7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review and financial year.

8 Dividend Payment

No dividend was paid in the current quarter.

9 Segment Information

	<u>30/09/15</u> 3-month RM'000	<u>30/09/14</u> 3-month RM'000	<u>30/09/15</u> 6-month RM'000	<u>30/09/14</u> 6-month RM'000
<u>Segment Revenue</u>				
Investment holding	-	-	-	-
Distribution of industrial tools and motors	11,346	17,550	22,204	33,046
Logistics related services	774	866	1,535	1,531
Others	42	42	84	84
Total including inter-segment sales	12,162	18,458	23,823	34,661
Elimination of inter-segment sales	(42)	(42)	(84)	(84)
Total	12,120	18,416	23,739	34,577
<u>Segment Results (Profit before tax)</u>				
Investment holding	43	188	153	333
Distribution of industrial tools and motors	31	2,178	668	3,706
Logistics related services	61	141	147	146
Others	121	98	185	111
	256	2,605	1,153	4,296
Eliminations	-	-	-	-
Total	256	2,605	1,153	4,296

10 Profit before tax

The following amounts have been included in arriving at profit before tax :

	<u>30/09/15</u> 3-month RM'000	<u>30/09/14</u> 3-month RM'000	<u>30/09/15</u> 6-month RM'000	<u>30/09/14</u> 6-month RM'000
(a) Interest income	89	299	298	553
(b) Interest expense	-	-	-	-
(c) Depreciation and amortization	(215)	(141)	(357)	(282)
(d) Provision for/write-off of receivables	-	-	-	-
(e) Provision for/write-off of inventories	-	-	-	-
(f) Gain/(loss) on disposal of quoted/ unquoted investments/properties	-	-	-	11
(g) Impairment of assets	-	-	-	-
(h) Foreign exchange gain/(loss)	29	7	16	17
(i) Gain/(loss) on derivatives	-	-	-	-
(j) Exceptional items	-	-	-	-

Part A - Explanatory Notes

11 Valuation of Assets

There has been no revaluation of property, plant and equipment as the Group does not adopt a revaluation policy on the said assets.

12 Subsequent Events

There were no material events subsequent to the end of the financial period, that have not been reflected in the financial statements for the reporting quarter and financial year.

13 Changes in Group Composition

There were no changes in the composition of the Group during the financial year.

14 Capital Commitments

There were no material capital commitments not provided for as at the end of the reporting quarter.

15 Contingent Liabilities and Assets

Corporate guarantees given to a licensed financial institution in respect of facilities utilised by a subsidiary company as at the end of the current financial quarter amounted to RM2.503 million.

Part B - Explanatory Notes

(Appendix 9B of Listing Requirements of BMSB)

16 Review of Performance

Distribution of industrial tools and motors- Sales of non-electric hand tools and electric-powered tools dropped by 35% to RM10.2 million from that of the corresponding quarter in previous year. As a result, gross profit declined 40% to RM2.7 million from that of last year. The electric motors division also reported lower sales for the quarter under review. For the six-month period, turnover of the electric and non-electric tools was lower at RM19.6 million against that of 30.0 million for the previous year. The drop in total turnover for the segment was mainly due to the cautiousness prevailing in the market in the wake of higher product costs as a result of continued weakening of the local currency and also an increase of competitors in the distribution of Makita power tools.

Logistics related services - Revenue from the logistics division for the current quarter amounting to RM774,000 was 11% lower than that for the previous year, while that for the six-month period at RM1.5 million was the same as for the year before. Gross profit contribution for the said period was also similar to that for the earlier year.

17 Current vs Preceding Quarter Results

While the current quarter's revenue of RM12.1 million was 4% higher than that of RM11.6 million for the preceding quarter, gross profit of RM3.2 million was 3% lower than that of RM3.3 million for the comparative period. The higher turnover was recorded for all divisions except that of the electric motors, which drop also led to the lower total gross contribution apart from the falling margins of the other products.

18 Commentary on Prospects

The next quarter is expected to be challenging as sales and profit margins will continue to come under pressure from both market and cost factors. The Group anticipates a further decline in sales of electric-powered tools due to increased competition which may have an impact on its financial performance in the coming quarter.

19 Profit Forecast and Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

Part B - Explanatory Notes

20 Taxation

	<u>30/09/15</u> 3-month	<u>30/09/14</u> 3-month	<u>30/09/15</u> 6-month	<u>30/09/14</u> 6-month
	RM'000	RM'000	RM'000	RM'000
Income tax - current year	189	680	406	1,146
Over-provided in previous year	(97)	-	(97)	-
Deferred tax - originating & reversal	(19)	(22)	(19)	(22)
Change in tax rates	5	-	5	-
Under-provided in previous year	22	11	22	11
Tax expense	100	669	317	1,135
Profit before taxation	<u>256</u>	<u>2,605</u>	<u>1,153</u>	<u>4,296</u>
Tax at 24% (previous year - 25%)	52	652	277	1,075
Income tax over-provided in previous year	(97)	-	(97)	-
Change in tax rates	5	-	5	-
Deferred tax under-provided in previous year	22	11	22	11
Unrecognized losses brought forward utilized	(10)	(41)	(28)	(41)
Non-deductible expenses	128	47	138	90
Tax expense	100	669	317	1,135

The effective tax rate for the current financial quarter and year-to-date were higher than the statutory tax rate due to the non-deductibility of certain items for income tax purpose.

21 Corporate Proposals

There were no corporate proposals announced but not completed at the latest practicable date, which is not earlier than seven-days from the date of issue of this quarterly report.

22 Group Borrowings

There were no borrowings as at the end of the current financial quarter.

23 Material Litigation

No new material litigation has arisen nor were there any material changes to any case which had been pending since the last annual balance sheet date.

24 Dividends

The Board has not recommended any dividend payment for the current financial quarter.

25 Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	<u>30/09/15</u> 3-month	<u>30/09/14</u> 3-month	<u>30/09/15</u> 6-month	<u>30/09/14</u> 6-month
Profit attributable to ordinary equity holders of the parent (RM'000)	157	1,937	838	3,163
Weighted average number of ordinary shares in issue ('000)	449,550	449,550	449,550	449,550
Basic earnings per share (sen)	0.03	0.43	0.19	0.70

26 Realised and Unrealised Profits/Losses

	As at 30/09/15 RM'000	As at 31/03/15 RM'000
Total retained profits of the parent and its subsidiaries:		
- Realised	49,184	48,338
- Unrealised	136	144
Total Group retained profits as per consolidated accounts	49,320	48,482

By order of the Board
Jasa Kita Berhad

Woo Hin Weng
Executive Director

Kuala Lumpur
Date : 27 November 2015