JASA KITA BERHAD *(239256-M)*

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the Quarter Ended 31 March 2016

	Note	Current Quarter		Year To-date	
		31/03/16	31/03/15	**31/03/16**	31/03/15
		3-month	3-month	**12-month**	12-month
		RM'000	RM'000	**RM'000**	RM'000
Revenue	9	**9,325**	16,623	**43,141**	64,217
Cost of sales		**(7,676)**	(12,057)	**(32,446)**	(46,315)
Gross profit		**1,649**	4,566	**10,695**	17,902
Other income		**730**	716	**1,835**	1,876
Other expenses		**(3,365)**	(3,213)	**(12,232)**	(12,165)
Administration expenses		**(136)**	(50)	**(482)**	(428)
Finance costs		**-**	-	**-**	-
Profit/(loss) before tax	10	**(1,122)**	2,019	**(184)**	7,185
Income tax expense	20	**(315)**	(532)	**(509)**	(2,144)
Profit/(loss) for the period		**(1,437)**	1,487	**(693)**	5,041
Other comprehensive income, net of tax		**-**	-	**-**	-
Total comprehensive income/(loss) for the period		**(1,437)**	1,487	**(693)**	5,041
Total comprehensive income/(loss) attributable to :					
Owners of the parent		**(1,435)**	1,490	**(692)**	5,048
Non-controlling Interest		**(2)**	(3)	**(1)**	(7)
		(1,437)	1,487	**(693)**	5,041
Earnings/(loss) per share attributable to owners of the parent					
Basic (sen)	25	**(0.32)**	0.33	**(0.15)**	1.12

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 31/03/16 RM'000	As at 31/03/15 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**10,659**	10,777
Investment properties		**4,626**	4,622
Intangible asset		**494**	471
Deferred tax assets		**-**	144
Current assets			
Inventories		**19,732**	26,543
Trade receivables		**11,827**	19,264
Non-trade receivables, deposits and prepayments		**768**	1,119
Tax recoverable		**842**	-
Investment securities		**5,220**	5,043
Deposits with licensed financial institutions		**33,899**	29,157
Cash and bank balances		**6,611**	5,261
		78,899	86,387
TOTAL ASSETS		**94,678**	102,401
EQUITY AND LIABILITIES			
Share Capital	7	**44,955**	44,955
Retained earnings		**46,577**	48,482
Attributable to Equity holders of the parent		**91,532**	93,437
Non-controlling Interest		**(127)**	9
TOTAL EQUITY		**91,405**	93,446
Non-current liabilities			
Deferred tax liabilities		**41**	-
Current liabilities			
Trade payables		**2,591**	7,391
Non-trade payables and accruals		**641**	892
Tax payable		**-**	672
		3,232	8,955
TOTAL LIABILITIES		**3,273**	8,955
TOTAL EQUITY AND LIABILITIES		**94,678**	102,401
Net assets per share (RM)		**0.20**	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.

JASA KITA BERHAD *(239256-M)*

Condensed Consolidated Statements of Changes in Equity
For the Quarter Ended 31 March 2016

	<-- 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
At 1 April 2014	44,955	44,782	89,737	16	89,753
Profit for the period represents total comprehensive income for the period	-	5,048	5,048	(7)	5,041
Dividend paid	-	(1,348)	(1,348)	-	(1,348)
At 31 March 2015	44,955	48,482	93,437	9	93,446
At 1 April 2015	44,955	48,482	93,437	9	93,446
Adjustment to previous years' Non-controlling Interest losses	-	135	135	(135)	-
Profit for the period represents total comprehensive income for the period	-	(692)	(692)	(1)	(693)
Dividend paid	-	(1,348)	(1,348)	-	(1,348)
At 31 March 2016	**44,955**	**46,577**	**91,532**	**(127)**	**91,405**

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 31 March 2016

	12-month 31/03/16 RM'000	12-month 31/03/15 RM'000
Cash flows from operating activities		
Profit before taxation	**(184)**	7,185
Adjustments for:		
Depreciation of property, plant and equipment	**736**	708
Gain on disposal of property, plant and equipment	**(21)**	(97)
Increase in net provision for doubtful and bad debts	**922**	551
Increase in provision for unutilised leaves	**-**	32
Inventories written down	**693**	274
Unrealised foreign exchange gain	**(13)**	(7)
Distribution income from investment securities	**(177)**	(43)
Interest income	**(1,046)**	(1,211)
Operating profit before changes in working capital	**910**	7,392
Changes in working capital:		
Inventories	**6,118**	(480)
Receivables	**6,869**	(3,381)
Payables	**(5,038)**	(1,012)
Cash generated from operations	**8,859**	2,519
Taxation paid	**(1,838)**	(1,387)
Net cash from operating activities	**7,021**	1,132
Cash flows from investing activities		
Purchase of property, plant and equipment	**(645)**	(283)
Purchase of intangible asset	**-**	(471)
Purchase of investment securities	**-**	(5,000)
Proceeds from disposal of property, plant and equipment	**21**	99
Interest received	**1,043**	1,211
Net cash from/(used in) investing activities	**419**	(4,444)
Cash flows from financing activities		
Dividend paid	**(1,348)**	(1,348)
Net cash used in financing activities	**(1,348)**	(1,348)
Net increase/(decrease) in cash and cash equivalents	**6,092**	(4,660)
Cash and cash equivalents as at 1 April	**34,418**	39,078
Cash and cash equivalents as at end of period	**40,510**	34,418
Cash and cash equivalents comprise the following amounts:		
Deposits with licensed banks	**33,899**	29,157
Cash and bank balances	**6,611**	5,261
	40,510	34,418

(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:

<u>Effective for annual periods commencing on or after 1 January 2016</u>

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

<u>Effective for annual periods commencing on or after 1 January 2017</u>

MFRS 15 Revenue from Contracts with Customers

<u>Effective for annual periods commencing on or after 1 January 2018</u>

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 businesss. 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.

Part A - Explanatory Notes

2 Significant Accounting Policies

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 used.

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.

Part A - Explanatory Notes

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.

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

The Group made a first and final single-tier dividend payment of 3% per ordinary share of RM0.10 each totalling RM1,348,650 in respect of the financial year ended 31 March 2015, on 8 October 2015.

9 Segment Information

	31/03/16	31/03/15	**31/03/16**	31/03/15
	3-month	3-month	**12-month**	12-month
	RM'000	RM'000	**RM'000**	RM'000
Segment Revenue				
Investment holding	**-**	-	**-**	-
Distribution of industrial tools and motors	**8,453**	15,856	**39,820**	61,025
Logistics related services	**872**	767	**3,321**	3,192
Others	**42**	42	**168**	168
Total including inter-segment sales	**9,367**	16,665	**43,309**	64,385
Elimination of inter-segment sales	**(42)**	(42)	**(168)**	(168)
Total	**9,325**	16,623	**43,141**	64,217
Segment Results - Profit/(loss) before tax				
Investment holding	**420**	332	**688**	2,142
Distribution of industrial tools and motors	**(1,795)**	1,642	**(1,865)**	5,986
Logistics related services	**60**	(18)	**438**	293
Others	**107**	63	**211**	(220)
	(1,208)	2,019	**(528)**	8,201
Eliminations	**86**	-	**344**	(1,016)
Total	**(1,122)**	2,019	**(184)**	7,185

10 Profit before tax

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

		31/03/16	31/03/15	**31/03/16**	31/03/15
		3-month	3-month	**12-month**	12-month
		RM'000	RM'000	**RM'000**	RM'000
(a)	Interest income	**494**	423	**1,046**	1,211
(b)	Interest expense	**-**	-	**-**	-
(c)	Depreciation and amortization	**(192)**	(152)	**(736)**	(708)
(d)	Provision for/write-off of receivables	**(922)**	33	**(922)**	(551)
(e)	Provision for/write-off of inventories	**(693)**	(36)	**(693)**	(274)
(f)	Gain on disposal of quoted/ unquoted investments/properties	**7**	78	**21**	97
(g)	Impairment of assets	**-**	-	**-**	-
(h)	Foreign exchange gain	**25**	44	**120**	74
(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- Turnover for the segment fell 35% to RM39.8 million from that of RM61.0 million for the year earlier as a result of increased competition as well as depreciation of the Ringgit which led to higher costs of importation and the generally weaker economy which contributed to the drop in overall demand. The erosion in product margins, coupled with lower sales, led to a drop of 43% in contribution from this segment. While the mechanic tools division maintained its previous year's sales, and electric motors sales increased by 6%, sales of electric power tools were lower than for the year before.
For the current quarter, turnover and gross margin dropped 46% and 68% to RM8.4 million and RM1.3 million, respectively compared to the comparative quarter last year. As a result, the segment reported a loss before tax of RM1.8 million against a profit before tax of RM1.6 million for the said corresponding quarter.

Logistics related services - Revenue from the logistics division for the current financial year was 4% up from that for the previous year, contributing a gross profit of RM1.0 million on the back of revenue of RM3.3 million. For the reporting quarter, revenue generated of RM872,000 was 13% higher than that of the comparable quarter last year.

17 Current vs Preceding Quarter Results

The current quarter's revenue of RM9.3 million was 7% lower than that for the preceding quarter, mainly due to a drop in hand tools sales. As a result, gross profit fell 33% to RM1.6 million, while net loss before tax widened to RM1.1 million (preceding quarter: RM215,000), compounded by impairment loss on trade receivables and provisioning for slow-moving inventories during the quarter. Estimates on the losses due to the said impairments have been made in accordance with established Group policies.

18 Commentary on Prospects

The coming financial year is generally expected to see a lower rate of economic growth which will likely pose a challenging environment for sales of the Group's products. Continued cost pressures as well as the increased competition in the power tools distribution business may affect product margins. The Group is currently looking to increase its product range and enlarge its distribution network to mitigate some of the aforesaid effects. It is also taking measures to further improve cost efficiencies and enhance productivity.

Part B - Explanatory Notes

19 Profit Forecast and Guarantee

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

20 Taxation

	31/03/16 **3-month** **RM'000**	31/03/15 3-month RM'000	**31/03/16** **12-month** **RM'000**	31/03/15 12-month RM'000
Income tax - current year	**174**	643	**417**	2,118
(Over)/under-provided in prev. years	**-**	1	**(92)**	151
Deferred tax - originating & reversal	**141**	(112)	**157**	(124)
Change in tax rates	**-**	-	**5**	-
(Over)/under-provided in prev. years	**-**	-	**22**	(1)
Tax expense	**315**	532	**509**	2,144
Profit before taxation	**(1,122)**	2,019	**(184)**	7,185
Tax at 24% (previous year - 25%)	**(271)**	531	**(45)**	1,796
Income tax (over)/under-provided	**-**	1	**(92)**	151
Change in tax rates	**-**	-	**5**	-
Deferred tax under/(over)prov.	**-**	-	**22**	(1)
Unrecognized losses brought forward utilized	**44**	(56)	**(57)**	(89)
Deferred tax not recognized	**552**	59	**552**	92
Effects of transactions :-				
Non-deductible expenses	**12**	8	**167**	206
Income not taxable	**(22)**	(11)	**(42)**	(11)
Tax expense	**315**	532	**509**	2,144

The effective tax rates for the current financial quarter and year were higher than the statutory rate due to certain expenses being non-deductible for income tax purposes.

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 recommended a first and final single-tier tax exempt dividend of 3% per Ordinary Share of RM0.10 each totalling RM1,348,650 in respect of the financial year ended 31 March 2016 which is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

Part B - Explanatory Notes

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.

	31/03/16 **3-month**	31/03/15 3-month	**31/03/16** **12-month**	31/03/15 12-month
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	**(1,435)**	1,490	**(692)**	5,048
Weighted average number of ordinary shares in issue ('000)	**449,550**	449,550	**449,550**	449,550
Basic earnings/(loss) per share (sen)	**(0.32)**	0.33	**(0.15)**	1.12

26 Realised and Unrealised Profits/Losses

	As at **31/03/16** **RM'000**	As at 31/03/15 RM'000
Total retained profits of the parent and its subsidiaries:		
- Realised	**46,618**	48,338
- Unrealised	**(41)**	144
	46,577	48,482
Less: Consolidation adjustments	**-**	-
Total Group retained profits as per consolidated accounts	**46,577**	48,482

By order of the Board
Jasa Kita Berhad

Woo Hin Weng
Executive Director

Kuala Lumpur
Date : 20 May 2016