# JASA KITA BERHAD *(239256-M)*

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**
**For the Quarter Ended 30 June 2016**

| | Note | Current Quarter | | Year To-date | |
|---|---|---|---|---|---|
| | | **30/06/16** | 30/06/15 | **30/06/16** | 30/06/15 |
| | | **3-month** | 3-month | **3-month** | 3-month |
| | | **RM'000** | RM'000 | **RM'000** | RM'000 |
| **Revenue** | 9 | **10,859** | 11,619 | **10,859** | 11,619 |
| **Cost of sales** | | **(8,460)** | (8,291) | **(8,460)** | (8,291) |
| **Gross profit** | | **2,399** | 3,328 | **2,399** | 3,328 |
| **Other income** | | **412** | 338 | **412** | 338 |
| **Other expenses** | | **(2,499)** | (2,659) | **(2,499)** | (2,659) |
| **Administration expenses** | | **(109)** | (110) | **(109)** | (110) |
| **Finance costs** | | **-** | - | **-** | - |
| **Profit before tax** | 10 | **203** | 897 | **203** | 897 |
| **Income tax expense** | 20 | **(60)** | (217) | **(60)** | (217) |
| **Profit for the period** | | **143** | 680 | **143** | 680 |
| **Other comprehensive income, net of tax** | | **-** | - | **-** | - |
| **Total comprehensive income for the period** | | **143** | 680 | **143** | 680 |
| **Total comprehensive income attributable to :** | | | | | |
| Owners of the parent | | **143** | 681 | **143** | 681 |
| Non-controlling Interest | | **-** | (1) | **-** | (1) |
| | | **143** | 680 | **143** | 680 |
| **Earnings per share attributable to owners of the parent** | | | | | |
| Basic (sen) | 25 | **0.03** | 0.15 | **0.03** | 0.15 |

*The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes.*

**JASA KITA BERHAD** *(239256-M)*

**Condensed Consolidated Statements of Financial Position**

| | Note | As at **30/06/16** **RM'000** | As at 31/03/16 RM'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| **Property, plant and equipment** | 11 | **10,662** | 10,720 |
| **Investment properties** | | **4,547** | 4,562 |
| **Intangible asset** | | **480** | 494 |
| | | | |
| **Current assets** | | | |
| **Inventories** | | **16,805** | 19,644 |
| **Trade receivables** | | **13,416** | 11,924 |
| **Non-trade receivables, deposits and prepayments** | | **1,439** | 1,237 |
| **Tax recoverable** | | **1,117** | 929 |
| **Investment securities** | | **5,220** | 5,220 |
| **Deposits with licensed financial institutions** | | **36,899** | 33,899 |
| **Cash and bank balances** | | **5,236** | 6,554 |
| | | **80,132** | 79,407 |
| | | | |
| **TOTAL ASSETS** | | **95,821** | 95,183 |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Share Capital** | 7 | **44,955** | 44,955 |
| **Retained earnings** | | **46,706** | 46,563 |
| **Attributable to Equity holders of the parent** | | **91,661** | 91,518 |
| | | | |
| **Non-controlling Interest** | | **(126)** | (126) |
| **TOTAL EQUITY** | | **91,535** | 91,392 |
| | | | |
| **Non-current liabilities** | | | |
| **Deferred tax liabilities** | | **9** | 48 |
| | | | |
| **Current liabilities** | | | |
| **Trade payables** | | **3,012** | 2,581 |
| **Non-trade payables and accruals** | | **1,265** | 1,162 |
| | | **4,277** | 3,743 |
| | | | |
| **TOTAL LIABILITIES** | | **4,286** | 3,791 |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **95,821** | 95,183 |
| | | | |
| **Net assets per share (RM)** | | **0.20** | 0.20 |

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes.*

**JASA KITA BERHAD** *(239256-M)*

**Condensed Consolidated Statements of Changes in Equity**
**For the Quarter Ended 30 June 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 2015 | 44,955 | 48,617 | 93,572 | (126) | 93,446 |
| Profit for the period represents total comprehensive income for the period | - | 681 | 681 | (1) | 680 |
| At 30 June 2015 | 44,955 | 49,298 | 94,253 | (127) | 94,126 |
| At 1 April 2016 | 44,955 | 46,563 | 91,518 | (126) | 91,392 |
| Profit for the period represents total comprehensive income for the period | - | 143 | 143 | - | 143 |
| **At 30 June 2016** | **44,955** | **46,706** | **91,661** | **(126)** | **91,535** |

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes.*

## JASA KITA BERHAD *(239256-M)*

**Condensed Consolidated Statements of Cash Flows**
**For the Quarter Ended 30 June 2016**

| | 3-month 30/06/16 RM'000 | 3-month 30/06/15 RM'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Profit before taxation** | **203** | 897 |
| | | |
| **Adjustments for:** | | |
| **Depreciation of property, plant and equipment** | **157** | 142 |
| **Gain on disposal of property, plant and equipment** | **(7)** | - |
| **Unrealised foreign exchange loss/(gain)** | **12** | (9) |
| **Interest income** | **(208)** | (209) |
| **Operating profit before changes in working capital** | **157** | 821 |
| | | |
| **Changes in working capital:** | | |
| **Inventories** | **2,839** | 39 |
| **Receivables** | **(1,694)** | 3,017 |
| **Payables** | **522** | (3,662) |
| **Cash generated from operations** | **1,824** | 215 |
| **Taxation paid** | **(287)** | (304) |
| **Net cash from/(used in) operating activities** | **1,537** | (89) |
| | | |
| **Cash flows from investing activities** | | |
| **Purchase of property, plant and equipment** | **(183)** | (167) |
| **Proceeds from disposal of property, plant and equipment** | **120** | - |
| **Interest received** | **208** | 209 |
| **Net cash from/(used in) investing activities** | **145** | 42 |
| | | |
| **Net increase/(decrease) in cash and cash equivalents** | **1,682** | (47) |
| | | |
| **Cash and cash equivalents as at 1 April** | **40,453** | 34,418 |
| **Cash and cash equivalents as at end of period** | **42,135** | 34,371 |
| | | |
| **Cash and cash equivalents comprise the following amounts:** | | |
| Deposits with licensed banks | **36,899** | 26,857 |
| Cash and bank balances | **5,236** | 7,514 |
| | **42,135** | 34,371 |

*(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2016)*

# JASA KITA BERHAD *(239256-M)*

**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 2016. 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 2016.

**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 2016, except for the adoption of the following Amendments to MFRS during the current financial period:

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

- Equity method in Separate Financial Statements (Amendments to MFRS 127)

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 is not expected to have any 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 Annual Improvements to MFRSs 2012-2014 Cycle consist of the following amendments:

a) MFRS 7: Financial Instruments: Disclosures

The amendment 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.

b) 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.

c) 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.

- Amendments to MFRS 101 Disclosure Initiative

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.

- Amendments to MFRS 116 Clarification of Acceptable Methods of Depreciation and Amortisation

Adoption of the above amendments is not expected to have any financial impact on the Group.

**2 Significant Accounting Policies** *(Cont'd)*

The followng MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective for the Group:

Effective for annual periods commencing on or after 1 January 2018

- MFRS 15 Revenue from Contracts with Customers
- MFRS 9 Financial Instruments (2014)

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 9 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.

**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**

There was no dividend payment made in the current quarter.

**Part A - Explanatory Notes**

**9 Segment Information**

| | **30/06/16 3-month RM'000** | 30/06/15 3-month RM'000 | **30/06/16 3-month RM'000** | 30/06/15 3-month RM'000 |
|---|---|---|---|---|
| Segment Revenue | | | | |
| Investment holding | **-** | - | **-** | - |
| Distribution of industrial tools and motors | **9,931** | 10,858 | **9,931** | 10,858 |
| Logistics related services | **928** | 761 | **928** | 761 |
| Others | **27** | 42 | **27** | 42 |
| Total including inter-segment sales | **10,886** | 11,661 | **10,886** | 11,661 |
| Elimination of inter-segment sales | **(27)** | (42) | **(27)** | (42) |
| Total | **10,859** | 11,619 | **10,859** | 11,619 |
| Segment Results - Profit before tax | | | | |
| Investment holding | **118** | 110 | **118** | 110 |
| Distribution of industrial tools and motors | **(305)** | 637 | **(305)** | 637 |
| Logistics related services | **192** | 86 | **192** | 86 |
| Others | **112** | 64 | **112** | 64 |
| | **117** | 897 | **117** | 897 |
| Eliminations | **86** | - | **86** | - |
| Total | **203** | 897 | **203** | 897 |

**10 Profit before tax**

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

| | | **30/06/16 3-month RM'000** | 30/06/15 3-month RM'000 | **30/06/16 3-month RM'000** | 30/06/15 3-month RM'000 |
|---|---|---|---|---|---|
| (a) | Interest income | **208** | 209 | **208** | 209 |
| (b) | Interest expense | **-** | - | **-** | - |
| (c) | Depreciation and amortization | **(157)** | (142) | **(157)** | (142) |
| (d) | Provision for/write-off of receivables | **-** | - | **-** | - |
| (e) | Provision for/write-off of inventories | **-** | - | **-** | - |
| (f) | Gain/(loss) on disposal of quoted/ unquoted investments/properties | **7** | - | **7** | - |
| (g) | Impairment of assets | **-** | - | **-** | - |
| (h) | Foreign exchange gain/(loss) | **(24)** | (13) | **(24)** | (13) |
| (i) | Gain/(loss) on derivatives | **-** | - | **-** | - |
| (j) | Exceptional items | **-** | - | **-** | - |

**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.

## 16 Review of Performance

*Distribution of industrial tools and motors*- The effects of the appointment by the Makita power tools principal in 2015, of additional distributors in the country, continued to be felt in the current reporting period, with lower sales than that for the corresponding quarter last year. In addition, subsequent price increases by the supplier which could not be passed onto the market due to competition reasons, have led to an overall erosion of margins. While the mechanic and air tools division saw a 15% jump in sales, that of electric motors was affected by the slow-down in the construction, plantation, oil and gas sectors to which they are mainly supplied, resulting in a drop of 9% from that for the comparable quarter the year before.

*Logistics related services* - Revenue from the logistics division for the current quarter posted an increase of 22% to RM928,000 over that for the previous year, as efforts were continued to optimise take-up rates for storage of goods with higher revenue-charging content. As a result, the gross contribution from this segment rose 59% to RM309,000 for the reporting quarter.

## 17 Current vs Preceding Quarter Results

Total revenue for the current quarter amounting to RM10.8 million was 16% higher than that for the preceding quarter, led mainly by increased sales of Makita tools as well as mechanic hand tools. The logistics division also reported an increase of 7% in revenue, and a consequently higher contribution over the same preceding quarter.

## 18 Commentary on Prospects

The anticipated easing in growth of the overall economy, particularly in sectors relating to demand for the Group's products will, to a certain extent, have an impact on its revenue and profitability for the rest of the current financial year. Nevertheless the Group has been taking ongoing measures to counter the effects of any possible slow-down in sales amidst increased market competition, including the carrying and promotion of other related product brands as well as introduction of a new business division involved in the distribution of batteries for the automotive industry. With the initiatives undertaken, the Group is cautiously optimistic that it should be able to gradually improve on its revenue for the current financial year.

## 19 Profit Forecast and Guarantee

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

## 20 Taxation

| | **30/06/16** | 30/06/15 | **30/06/16** | 30/06/15 |
|---|---|---|---|---|
| | **3-month** | 3-month | **3-month** | 3-month |
| | **RM'000** | RM'000 | **RM'000** | RM'000 |
| Income tax - current year | **99** | 217 | **99** | 217 |
| Deferred tax - originating & reversal | **(39)** | - | **(39)** | - |
| Tax expense | **60** | 217 | **60** | 217 |
| Profit before taxation | **203** | 897 | **203** | 897 |
| Tax at 24% (previous year - 24%) | **49** | 215 | **49** | 215 |
| Unrecognized losses brought forward utilized | **-** | (8) | **-** | (8) |
| Effects of transactions :- | | | | |
| Non-deductible expenses | **11** | 10 | **11** | 10 |
| Tax expense | **60** | 217 | **60** | 217 |

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 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.

| | **30/06/16** 3-month | 30/06/15 3-month | **30/06/16** 3-month | 30/06/15 3-month |
|---|---|---|---|---|
| Profit attributable to ordinary equity holders of the parent (RM'000) | **143** | 681 | **143** | 681 |
| Weighted average number of ordinary shares in issue ('000) | **449,550** | 449,550 | **449,550** | 449,550 |
| Basic earnings per share (sen) | **0.03** | 0.15 | **0.03** | 0.15 |

**26 Realised and Unrealised Profits/Losses**

| | As at **30/06/16** **RM'000** | As at 31/03/16 RM'000 |
|---|---|---|
| Total retained profits of the parent and its subsidiaries: | | |
| - Realised | **46,715** | 46,611 |
| - Unrealised | **(9)** | (48) |
| | **46,706** | 46,563 |
| Less: Consolidation adjustments | **-** | - |
| Total Group retained profits as per consolidated accounts | **46,706** | 46,563 |

**By order of the Board**
**Jasa Kita Berhad**

**Woo Hin Weng**
**Executive Director**

Kuala Lumpur
Date : 18 August 2016