

JASA KITA BERHAD (239256-M)

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

	Note	Current Quarter		Year To-date	
		<u>31/12/16</u>	<u>31/12/15</u>	<u>31/12/16</u>	<u>31/12/15</u>
		3-month	3-month	9-month	9-month
		RM'000	RM'000	RM'000	RM'000
Revenue	9	8,520	10,077	27,117	33,816
Cost of sales		(6,615)	(7,598)	(20,920)	(24,770)
Gross profit		1,905	2,479	6,197	9,046
Other income		573	404	1,407	1,105
Other expenses		(2,739)	(2,995)	(7,391)	(8,867)
Administration expenses		(114)	(103)	(306)	(346)
Profit/(loss) before tax	10	(375)	(215)	(93)	938
Income tax expense	20	(194)	123	(456)	(194)
Profit/(loss) for the period		(569)	(92)	(549)	744
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		(569)	(92)	(549)	744
Total comprehensive income/(loss) attributable to :					
Owners of the parent		(569)	(95)	(548)	743
Non-controlling Interest		-	3	(1)	1
		(569)	(92)	(549)	744
Earnings/(loss) per share attributable to owners of the parent					
Basic (sen)	25	(0.13)	(0.02)	(0.12)	0.17

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 <u>31/12/16</u> RM'000	As at <u>31/03/16</u> RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	10,660	10,720
Investment properties		4,517	4,562
Intangible asset		464	494
<u>Current assets</u>			
Inventories		14,590	19,644
Trade receivables		10,993	11,924
Non-trade receivables, deposits and prepayments		728	1,237
Tax recoverable		1,353	929
Investment securities		5,308	5,220
Deposits with licensed financial institutions		39,182	33,899
Cash and bank balances		4,397	6,554
		76,551	79,407
TOTAL ASSETS		92,192	95,183
EQUITY AND LIABILITIES			
Share Capital	7	44,955	44,955
Retained earnings		44,666	46,563
Attributable to Equity holders of the parent		89,621	91,518
Non-controlling Interest		(127)	(126)
TOTAL EQUITY		89,494	91,392
<u>Non-current liabilities</u>			
Deferred tax liabilities		87	48
<u>Current liabilities</u>			
Trade payables		1,407	2,581
Non-trade payables and accruals		1,204	1,162
		2,611	3,743
TOTAL LIABILITIES		2,698	3,791
TOTAL EQUITY AND LIABILITIES		92,192	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 Cash Flows
For the Quarter Ended 31 December 2016

	9-month <u>31/12/16</u> RM'000	9-month <u>31/12/15</u> RM'000
Cash flows from operating activities		
Profit/(loss) before taxation	(93)	938
Adjustments for:		
Depreciation of property, plant and equipment	469	544
Gain on disposal of property, plant and equipment	(7)	(14)
Decrease in net provision for doubtful and bad debts	(457)	-
Unrealised foreign exchange gain	(12)	(13)
Distribution income from investment securities	(88)	(88)
Interest income	(740)	(552)
Operating profit before changes in working capital	<u>(928)</u>	815
Changes in working capital:		
Inventories	5,054	4,544
Receivables	1,897	4,859
Payables	(1,120)	(3,488)
Cash generated from operations	<u>4,903</u>	6,730
Taxation paid	(842)	(1,708)
Interest paid	-	-
Net cash from/(used in) operating activities	<u>4,061</u>	5,022
Cash flows from investing activities		
Purchase of property, plant and equipment	(447)	(479)
Proceeds from disposal of property, plant and equipment	121	15
Interest received	740	552
Net cash from investing activities	<u>414</u>	88
Cash flows from financing activities		
Dividend paid	(1,349)	(1,348)
Net cash used in financing activities	<u>(1,349)</u>	(1,348)
Net increase in cash and cash equivalents	3,126	3,762
Cash and cash equivalents as at 1 April	40,453	34,418
Cash and cash equivalents as at end of period	<u>43,579</u>	<u>38,180</u>
Cash and cash equivalents comprise the following amounts:		
Deposits with licensed banks	39,182	32,357
Cash and bank balances	4,397	5,823
	<u>43,579</u>	<u>38,180</u>

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

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

	<-- Attributable to Owners of the Company -->			Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Distributable Retained Earnings RM'000	Total RM'000		
<u>At 1 April 2015</u>	44,955	48,617	93,572	(126)	93,446
Profit for the period represents total comprehensive income for the period	-	743	743	1	744
Dividend paid	-	(1,348)	(1,348)	-	(1,348)
At 31 December 2015	44,955	48,012	92,967	(125)	92,842
<u>At 1 April 2016</u>	44,955	46,563	91,518	(126)	91,392
Profit for the period represents total comprehensive income for the period	-	(548)	(548)	(1)	(549)
Dividend paid	-	(1,349)	(1,349)	-	(1,349)
At 31 December 2016	44,955	44,666	89,621	(127)	89,494

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.

Part A - Explanatory Notes Pursuant to MFRS 134

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:

Effective for annual periods commencing on or after 1 January 2016

- 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.

Part A - Explanatory Notes Pursuant to MFRS 134

2 Significant Accounting Policies (Cont'd)

The following 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 2016 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

The Group made 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, on 19 October 2016.

Part A - Explanatory Notes Pursuant to MFRS 134

9 Segment Information

	<u>31/12/16</u> 3-month	<u>31/12/15</u> 3-month	<u>31/12/16</u> 9-month	<u>31/12/15</u> 9-month
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
Investment holding	-	-	-	-
Distribution of industrial tools and motors	7,676	9,163	24,516	31,367
Logistics related services	844	914	2,601	2,449
Others	27	42	81	126
Total including inter-segment sales	8,547	10,119	27,198	33,942
Elimination of inter-segment sales	(27)	(42)	(81)	(126)
Total	8,520	10,077	27,117	33,816
<u>Segment Results - Profit/(loss) before tax</u>				
Investment holding	139	115	265	268
Distribution of industrial tools and motors	(805)	(738)	(1,357)	(70)
Logistics related services	97	231	411	378
Others	108	(81)	330	104
	(461)	(473)	(351)	680
Eliminations	86	258	258	258
Total	(375)	(215)	(93)	938

10 Profit before tax

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

	<u>31/12/16</u> 3-month	<u>31/12/15</u> 3-month	<u>31/12/16</u> 9-month	<u>31/12/15</u> 9-month
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	332	254	740	552
(b) Interest expense	-	-	-	-
(c) Depreciation and amortization	(157)	(187)	(469)	(544)
(d) Reversal of (impairment) of receivables	7	-	457	-
(e) Provision for/write-off of inventories	-	-	-	-
(f) Gain/(loss) on disposal of quoted/ unquoted investments/properties	-	-	7	14
(g) Impairment of assets	-	-	-	-
(h) Foreign exchange gain/(loss)	51	79	51	95
(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.

Part B - Explanatory Notes Pursuant to Listing Requirements of BMSB

16 Review of Performance

Distribution of industrial tools and motors- The segment recorded revenue declines of 16% and 22% to RM7.7 million and RM24.5 million for the current quarter and nine-month period, respectively compared to the corresponding periods of the previous year. The drop in sales was mainly due to the continued effect of the change to the multiple-distribution channels model by the Makita principal which also negatively impacted gross profitability. Apart from electric power tools, all the other products generated higher sales, albeit with a marginal decrease in margin, for the period-to-date. Overall gross contribution for the said period-to-date fell 35% to RM5.4 million from RM8.3 million from that of the previous year.

Logistics related services - While revenue for the reporting quarter was 8% lower than the corresponding quarter last year, that for the nine-month period showed an increase of 6% to RM2.6 million over the same period in the previous year, with a gross contribution of RM792,000 for the period to-date.

17 Current vs Preceding Quarter Results

Revenue for the quarter under review amounting to RM8.5 million was 10% higher than that for the preceding quarter of RM7.7 million, with increases reported for all divisions. Gross profit however rose only marginally to RM1.9 million, with decreases in gross margins for electric power tools and motors.

18 Commentary on Prospects

The Group generally foresees that, owing to the slower growth of the economy and increased market competition, the prevailing difficult trading environment of high product costs, reduced margins, and subdued demand will persist over the near term, and expects such challenging conditions to continue exerting pressure on its turnover and profitability for the final quarter of the financial year.

19 Profit Forecast and Guarantee

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

20 Taxation

	<u>31/12/16</u> 3-month	<u>31/12/15</u> 3-month	<u>31/12/16</u> 9-month	<u>31/12/15</u> 9-month
	RM'000	RM'000	RM'000	RM'000
Income tax - current year	172	(163)	401	243
(Over)/under-provided in prev. years	17	5	17	(92)
Deferred tax - originating & reversal	46	35	79	16
Change in tax rates	-	-	-	5
(Over)/under-provided in prev. years	(41)	-	(41)	22
Tax expense	194	(123)	456	194
Profit before taxation	(375)	(215)	(93)	938
Tax at 24% (previous year - 24%)	(91)	(51)	(23)	226
Income tax (over)/under-provided	17	5	17	(92)
Change in tax rates	-	-	-	5
Deferred tax under/(over)prov.	(41)	-	(41)	22
Unrecognized losses brought forward utilized	-	(73)	-	(101)
Deferred tax not recognized	219	-	366	-
Effects of transactions :-				
Non-deductible expenses	100	17	159	155
Income not taxable	(10)	(21)	(21)	(21)
Tax expense	194	(123)	456	194

The effective tax rates for the current financial quarter and period to-date were higher than the statutory rate due to certain non-deductible expenses for income tax purposes and non-recognition of deferred tax due to uncertainty of its recoverability.

Part B - Explanatory Notes Pursuant to Listing Requirements of BMSB

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>31/12/16</u> 3-month	<u>31/12/15</u> 3-month	<u>31/12/16</u> 9-month	<u>31/12/15</u> 9-month
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	(569)	(95)	(548)	743
Weighted average number of ordinary shares in issue ('000)	449,550	449,550	449,550	449,550
Basic earnings/(loss) per share (sen)	(0.13)	(0.02)	(0.12)	0.17

26 Realised and Unrealised Profits/Losses

	As at <u>31/12/16</u> RM'000	As at <u>31/03/16</u> RM'000
Total retained profits of the parent and its subsidiaries:		
- Realised	44,753	46,611
- Unrealised	(87)	(48)
	44,666	46,563
Less: Consolidation adjustments	-	-
Total Group retained profits as per consolidated accounts	44,666	46,563

By order of the Board
Jasa Kita Berhad

Woo Hin Weng
Executive Director

Kuala Lumpur
Date : 15 February 2017