

JASA KITA BERHAD (239256-M)

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the Final Quarter Ended 31 March 2017**

	Note	Current Quarter		Year To-date	
		<u>31/03/17</u>	<u>31/03/16</u>	<u>31/03/17</u>	<u>31/03/16</u>
		3-month	3-month	12-month	12-month
		RM'000	RM'000	RM'000	RM'000
Revenue	9	8,889	9,325	36,321	43,471
Cost of sales		(6,874)	(7,676)	(27,794)	(32,563)
Gross profit		2,015	1,649	8,527	10,908
Other income		544	730	1,636	1,558
Other expenses		(1,930)	(3,365)	(9,321)	(12,183)
Administration expenses		(120)	(136)	(426)	(452)
Profit/(loss) before tax	10	509	(1,122)	416	(169)
Income tax expense	20	(206)	(315)	(662)	(537)
Profit/(loss) for the period		303	(1,437)	(246)	(706)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		303	(1,437)	(246)	(706)
Total comprehensive income/(loss) attributable to :					
Owners of the parent		303	(1,435)	(245)	(705)
Non-controlling Interest		-	(2)	(1)	(1)
		303	(1,437)	(246)	(706)
Earnings/(loss) per share attributable to owners of the parent					
Basic (sen)	25	0.07	(0.32)	(0.05)	(0.16)

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.

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Condensed Consolidated Statements of Financial Position

	Note	As at <u>31/03/17</u> RM'000	As at <u>31/03/16</u> RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	10,603	10,720
Investment properties		4,502	4,562
Intangible asset		450	494
<u>Current assets</u>			
Inventories		15,576	19,644
Trade receivables		11,024	11,924
Non-trade receivables, deposits and prepayments		833	1,237
Tax recoverable		1,363	929
Investment securities		5,387	5,220
Deposits with licensed financial institutions		29,682	33,899
Cash and bank balances		12,396	6,554
		<u>76,261</u>	<u>79,407</u>
TOTAL ASSETS		<u><u>91,816</u></u>	<u><u>95,183</u></u>
EQUITY AND LIABILITIES			
Share Capital	7	44,955	44,955
Retained earnings		40,474	46,564
Attributable to Equity holders of the parent		<u>85,429</u>	<u>91,519</u>
Non-controlling Interest		(128)	(127)
TOTAL EQUITY		<u><u>85,301</u></u>	<u><u>91,392</u></u>
<u>Non-current liabilities</u>			
Deferred tax liabilities		94	48
<u>Current liabilities</u>			
Trade payables		1,186	2,581
Non-trade payables and accruals		739	1,162
Dividend payable		4,496	-
		<u>6,421</u>	<u>3,743</u>
TOTAL LIABILITIES		<u><u>6,515</u></u>	<u><u>3,791</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>91,816</u></u>	<u><u>95,183</u></u>
Net assets per share (RM)		<u><u>0.19</u></u>	<u><u>0.20</u></u>

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 Final Quarter Ended 31 March 2017

	12-month	12-month
	<u>31/03/17</u>	<u>31/03/16</u>
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	416	(169)
Adjustments for:		
Depreciation of property, plant and equipment	574	688
Amortisation of intangible asset	55	51
Gain on disposal of property, plant and equipment	(7)	(22)
Increase/(decrease) in net provision for doubtful and bad debts	(927)	861
Decrease in provision for unutilised leaves	-	(2)
Inventories written down/(back)	(117)	781
Unrealised foreign exchange gain	(1)	(14)
Distribution income from investment securities	(167)	(177)
Interest income	(1,230)	(1,085)
Operating profit before changes in working capital	<u>(1,404)</u>	912
Changes in working capital:		
Inventories	4,185	6,118
Receivables	2,231	6,383
Payables	(1,817)	(4,546)
Cash generated from operations	<u>3,195</u>	8,867
Taxation paid	(1,051)	(1,946)
Net cash from operating activities	<u>2,144</u>	6,921
Cash flows from investing activities		
Purchase of property, plant and equipment	(509)	(572)
Purchase of intangible asset	(11)	(73)
Proceeds from disposal of property, plant and equipment	120	22
Interest received	1,230	1,085
Net cash from investing activities	<u>830</u>	462
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	1,625	6,035
Cash and cash equivalents as at 1 April	40,453	34,418
Cash and cash equivalents as at end of period	<u>42,078</u>	<u>40,453</u>
Cash and cash equivalents comprise the following amounts:		
Deposits with licensed banks	29,682	33,899
Cash and bank balances	12,396	6,554
	<u>42,078</u>	<u>40,453</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 Final Quarter Ended 31 March 2017**

	<-- 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	-	(705)	(705)	(1)	(706)
Dividend paid	-	(1,348)	(1,348)	-	(1,348)
At 31 March 2016	44,955	46,564	91,519	(127)	91,392
<u>At 1 April 2016</u>	44,955	46,564	91,519	(127)	91,392
Profit for the period represents total comprehensive income for the period	-	(245)	(245)	(1)	(246)
Dividend paid/payable	-	(5,845)	(5,845)	-	(5,845)
At 31 March 2017	44,955	40,474	85,429	(128)	85,301

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:

a) Effective for annual periods commencing on or after 1 January 2016

- 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.

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

b) Effective for annual periods commencing on or after 1 January 2017

- Amendment to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments to MFRS 112 clarify the accounting treatment of deferred tax assets for unrealised losses on fixed-rate debt instruments measured at fair value. The adoption of these amendments is not expected to have any financial impact on the Group.

- Amendment to MFRS 107 Disclosure Initiative

The amendments to MFRS 107 requires entity to provide disclosures on changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The adoption of these amendments is not expected to have any financial impact on the Group.

c) 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.

Part A - Explanatory Notes Pursuant to MFRS 134

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

There was no dividend payment made in the current quarter.

9 Segment Information

	<u>31/03/17</u> 3-month	<u>31/03/16</u> 3-month	<u>31/03/17</u> 12-month	<u>31/03/16</u> 12-month
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
Investment holding	-	-	-	-
Distribution and trading	7,850	8,453	32,366	39,820
Logistics related services	934	872	3,535	3,321
Others	264	42	1,054	498
Total including inter-segment sales	9,048	9,367	36,955	43,639
Elimination of inter-segment sales	(159)	(42)	(634)	(168)
Total	8,889	9,325	36,321	43,471
<u>Segment Results - Profit/(loss) before tax</u>				
Investment holding	7,169	420	7,434	793
Distribution and trading	(209)	(1,795)	(1,566)	(1,866)
Logistics related services	168	60	579	437
Others	95	107	425	213
	7,223	(1,208)	6,872	(423)
Eliminations	(6,714)	86	(6,456)	254
Total	509	(1,122)	416	(169)

Part A - Explanatory Notes Pursuant to MFRS 134

10 Profit before tax

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

	<u>31/03/17</u> 3-month	<u>31/03/16</u> 3-month	<u>31/03/17</u> 12-month	<u>31/03/16</u> 12-month
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	490	494	1,230	1,085
(b) Interest expense	-	-	-	-
(c) Depreciation and amortization	(160)	(192)	(629)	(739)
(d) Reversal of (impairment) of receivables	470	(922)	927	(861)
(e) Write-back/(write-off) of inventories	117	(693)	117	(781)
(f) Gain/(loss) on disposal of quoted/ unquoted investments/assets	-	7	7	22
(g) Impairment of assets	-	-	-	-
(h) Foreign exchange gain/(loss)	29	25	80	104
(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

(Appendix 9B of Listing Requirements of BMSB)

16 Review of Performance

Distribution of industrial tools and motors- Revenue from this segment fell 18% and 7% to RM32.3 million and RM7.8 million for the current financial year and current quarter, respectively, compared to the previous year's corresponding periods. The slide in revenue was mainly due to lower turnover recorded for the electric power tools, which was slightly mitigated by higher sales of hand tools and electric motors plus a small but growing contribution by the newly-established automotive batteries division. Overall gross profitability was pulled down by higher costs of Makita power tools consequent upon the change in distribution-channels and the new pricing policy of the principal. The loss before tax of RM1.86 million for the previous year was however reduced to a loss of RM1.56 million for the current year as a result of a reduction in operating costs as well as lower provision for impairment losses in respect of trade receivables and inventories.

Logistics related services - Revenue for the reporting quarter and year was 7% and 6% higher than the corresponding periods last year, with profit before tax of RM168,000 and RM0.57 million, for the current quarter and year, respectively. The higher profitability was also partly due to an increased take-up by customers with higher storage rates and service charges.

Part B - Explanatory Notes (Appendix 9B of Listing Requirements of BMSB)

17 Current vs Preceding Quarter Results

Revenue for the quarter under review amounting to RM8.9 million increased by 4% over that for the preceding quarter of RM8.5 million, due to higher battery sales. Overall gross profit of RM2.0 million for the current quarter was also 5% higher than that for the comparative quarter. Nevertheless the turn-around in profit before tax of RM0.5 million for the current quarter from the preceding quarter's loss before tax of RM375,000 was in large part ascribable to the aforesaid reversal of impairment losses.

18 Commentary on Prospects

The year ahead is fraught with uncertainties, both locally and internationally, which may lead to continued volatility of commodity prices and stiff competition among market players. Such challenging conditions will weigh on the Group's revenue and profitability for the coming year. Nevertheless, the Group is constantly striving to offer and position its products most competitively, and bringing in new products to strengthen its distribution network so as to provide greater coverage of market segments with potential.

19 Profit Forecast and Guarantee

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

20 Taxation

	<u>31/03/17</u> 3-month	<u>31/03/16</u> 3-month	<u>31/03/17</u> 12-month	<u>31/03/16</u> 12-month
	RM'000	RM'000	RM'000	RM'000
Income tax - current year	199	174	600	437
(Over)/under-provided in prev. years	-	-	17	(92)
Deferred tax - originating & reversal	8	141	87	190
Change in tax rates	-	-	-	2
Over-provided in prev. years	(1)	-	(42)	-
Tax expense	206	315	662	537
Profit before taxation	509	(1,122)	416	(169)
Tax at 24% (previous year - 24%)	123	(269)	100	(41)
Income tax (over)/under-provided	-	-	17	(92)
Change in tax rates	-	(3)	-	2
Deferred tax over-provided	(1)	-	(42)	-
Unrecognized losses brought forward (utilized)	-	44	-	(66)
Deferred tax asset not recognized	61	552	427	545
Effects of transactions :-				
Non-deductible expenses	42	12	200	231
Income not taxable	(19)	(21)	(40)	(42)
Tax expense	206	315	662	537

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 (Appendix 9B of 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 Company declared a first interim single-tier dividend of 1 sen per ordinary share totalling RM4,495,500 during the quarter in respect of the current financial year to be payable on 12 April 2017.

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>31/03/17</u> 3-month	<u>31/03/16</u> 3-month	<u>31/03/17</u> 12-month	<u>31/03/16</u> 12-month
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	303	(1,435)	(245)	(705)
Weighted average number of ordinary shares in issue ('000)	449,550	449,550	449,550	449,550
Basic earnings/(loss) per share (sen)	0.07	(0.32)	(0.05)	(0.16)

26 Realised and Unrealised Profits/Losses

	As at 31/03/17 RM'000	As at 31/03/16 RM'000
Total retained profits of the parent and its subsidiaries:		
- Realised	40,568	46,612
- Unrealised	(94)	(48)
Total Group retained profits as per consolidated accounts	40,474	46,564

By order of the Board
Jasa Kita Berhad

Woo Hin Weng
Executive Director

Kuala Lumpur
Date : 25 May 2017