JASA KITA BERHAD *(239256-M)*

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the First Quarter Ended 30 June 2017

	Note	Current Quarter		Year To-date	
		30/06/17	30/06/16	**30/06/17**	30/06/16
		3-month	3-month	**3-month**	3-month
		RM'000	RM'000	**RM'000**	RM'000
Revenue	9	**6,572**	10,859	**6,572**	10,859
Cost of sales		**(4,866)**	(8,460)	**(4,866)**	(8,460)
Gross profit		**1,706**	2,399	**1,706**	2,399
Other income		**441**	412	**441**	412
Other expenses		**(2,325)**	(2,499)	**(2,325)**	(2,499)
Administration expenses		**(106)**	(109)	**(106)**	(109)
Profit/(loss) before tax	10	**(284)**	203	**(284)**	203
Income tax expense	20	**(142)**	(60)	**(142)**	(60)
Profit/(loss) for the period		**(426)**	143	**(426)**	143
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		**(426)**	143	**(426)**	143
Total comprehensive income/(loss) attributable to :					
Owners of the parent		**(426)**	143	**(426)**	143
Earnings/(loss) per share attributable to owners of the parent					
Basic (sen)	25	**(0.09)**	0.03	**(0.09)**	0.03

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes.

JASA KITA BERHAD *(239256-M)*

Condensed Consolidated Statements of Financial Position

	Note	As at 30/06/17 RM'000	As at 31/03/17 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**10,500**	10,603
Investment properties		**4,487**	4,502
Intangible asset		**436**	450
Current assets			
Inventories		**15,703**	15,577
Trade receivables		**8,539**	11,029
Non-trade receivables, deposits and prepayments		**1,057**	1,774
Tax recoverable		**1,411**	1,368
Investment securities		**5,387**	5,387
Deposits with licensed financial institutions		**35,382**	29,682
Cash and bank balances		**3,243**	12,396
		70,722	77,213
TOTAL ASSETS		**86,145**	92,768
EQUITY AND LIABILITIES			
Share Capital	7	**44,955**	44,955
Retained earnings		**40,074**	40,500
Attributable to Equity holders of the parent		**85,029**	85,455
Non-controlling Interest		**(129)**	(129)
TOTAL EQUITY		**84,900**	85,326
Non-current liabilities			
Deferred tax liabilities		**94**	88
Current liabilities			
Trade payables		**267**	1,925
Non-trade payables and accruals		**884**	934
Dividend payable		**-**	4,495
		1,151	7,354
TOTAL LIABILITIES		**1,245**	7,442
TOTAL EQUITY AND LIABILITIES		**86,145**	92,768
Net assets per share (RM)		**0.19**	0.19

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes.

JASA KITA BERHAD *(239256-M)*

Condensed Consolidated Statements of Changes in Equity
For the First Quarter Ended 30 June 2017

	<-- Attributable to Owners of the Company -->				
		Distributable		Non-	
	Share	Retained		Controlling	Total
	Capital	Earnings	Total	Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2016	44,955	46,564	91,519	(127)	91,392
Profit for the period represents total comprehensive income for the period	-	143	143	-	143
Dividend paid	-	-	-	-	-
At 30 June 2016	44,955	46,707	91,662	(127)	91,535
At 1 April 2017	44,955	40,500	85,455	(129)	85,326
Profit for the period represents total comprehensive income for the period	-	(426)	(426)	-	(426)
Dividend paid/payable	-	-	-	-	-
At 30 June 2017	**44,955**	**40,074**	**85,029**	**(129)**	**84,900**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes.

JASA KITA BERHAD *(239256-M)*

Condensed Consolidated Statements of Cash Flows
For the First Quarter Ended 30 June 2017

	3-month 30/06/17 RM'000	3-month 30/06/16 RM'000
Cash flows from operating activities		
Profit before taxation	**(284)**	203
Adjustments for:		
Depreciation of property, plant and equipment	**143**	143
Amortisation of intangible asset	**14**	14
Gain on disposal of property, plant and equipment	**-**	(7)
Unrealised foreign exchange loss	**16**	12
Interest income	**(216)**	(208)
Operating profit before changes in working capital	**(327)**	157
Changes in working capital:		
Inventories	**(126)**	2,839
Receivables	**3,207**	(1,694)
Payables	**(1,698)**	522
Cash generated from operations	**1,056**	1,824
Taxation paid	**(204)**	(287)
Net cash from operating activities	**852**	1,537
Cash flows from investing activities		
Purchase of property, plant and equipment	**(26)**	(183)
Proceeds from disposal of property, plant and equipment	**-**	120
Increase in fixed deposits	**(2,300)**	-
Interest received	**216**	208
Net cash from/(used in) investing activities	**(2,110)**	145
Cash flows from financing activities		
Dividend paid	**(4,495)**	-
Net cash used in financing activities	**(4,495)**	-
Net increase/(decrease) in cash and cash equivalents	**(5,753)**	1,682
Cash and cash equivalents as at 1 April	**27,696**	25,054
Cash and cash equivalents as at end of period	**21,943**	26,736
Cash and cash equivalents comprise the following amounts:		
Deposits with licensed banks	**18,700**	21,500
Cash and bank balances	**3,243**	5,236
	21,943	26,736

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 2017. 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 2017.

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

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

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

- 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.

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

- 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 2017 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.

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 quarter.

7 Debt and Equity Securities

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

8 Dividend Payment

The Company paid a first interim single-tier dividend of 1 sen per ordinary share totalling RM4,495,500 during the quarter in respect of the financial year ended on 31 March 2017.

9 Segment Information

	30/06/17	30/06/16	**30/06/17**	30/06/16
	3-month	3-month	**3-month**	3-month
	RM'000	RM'000	**RM'000**	RM'000
Segment Revenue				
Investment holding	**-**	-	**-**	-
Distribution and trading	**5,517**	9,931	**5,517**	9,931
Logistics related services	**950**	928	**950**	928
Others	**236**	27	**236**	27
Total including inter-segment sales	**6,703**	10,886	**6,703**	10,886
Elimination of inter-segment sales	**(131)**	(27)	**(131)**	(27)
Total	**6,572**	10,859	**6,572**	10,859
Segment Results - Profit/(loss) before tax				
Investment holding	**84**	118	**84**	118
Distribution and trading	**(778)**	(305)	**(778)**	(305)
Logistics related services	**205**	192	**205**	192
Others	**119**	112	**119**	112
	(370)	117	**(370)**	117
Eliminations	**86**	86	**86**	86
Total	**(284)**	203	**(284)**	203

Part A - Explanatory Notes Pursuant to MFRS 134

10 Profit before tax

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

		30/06/17 3-month	30/06/16 3-month	30/06/17 3-month	30/06/16 3-month
		RM'000	RM'000	**RM'000**	RM'000
(a)	Interest income	**216**	208	**216**	208
(b)	Interest expense	-	-	-	-
(c)	Depreciation and amortization	**(157)**	(157)	**(157)**	(157)
(d)	Reversal of (impairment) of receivables	-	-	-	-
(e)	Write-back/(write-off) of inventories	-	-	-	-
(f)	Gain/(loss) on disposal of quoted/ unquoted investments/assets	-	7	-	7
(g)	Impairment of assets	-	-	-	-
(h)	Foreign exchange gain/(loss)	**13**	(24)	**13**	(24)
(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.

13 Changes in Group Composition

There were no changes in the composition of the Group during the current quarter.

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 and trading - Sales of electric power tools for the current quarter dropped 70% to RM2.1 million from that of RM7.1 million for the corresponding quarter last year. As a result, total revenue for this segment fell 44% from RM9.9 million to RM5.5 million despite the higher sales recorded by the mechanic's tools, battery and electric motors divisions. The decline in overall turnover was mainly due to the loss of sales following the changed distribution model by the Makita power tools principal which was only partially offset by a gradual pick-up in sales of other brands recently marketed and distributed by the Group. While sales of automotive batteries have increased since the product was introduced over a year ago, its turnover is still relatively small in comparison to that of the other products. Gross profit contribution from the segment fell 40% to RM1.2 million in line with the drop in total sales, despite the slight improvement in margins due to price increases in certain product categories.

Logistics related services - Revenue for the reporting quarter was higher by 2% at RM950,000 and gross profit rose 15% to RM355,000 from that of the previous year's corresponding quarter. The increased billings and margins were mainly due to higher rental space utilisation and rates for selective goods storage.

17 Current vs Preceding Quarter Results

Revenue and gross profit for the current quarter at RM6.5 million and RM1.7 million were 26% and 15% lower than the preceding quarter with all divisions except the logistics-related services registering decreases in turnover and gross contributions. Sales of Makita electric power tools which had contributed significantly to total turnover suffered a further decline following the principal's move to expand its customer base and sell directly to more of the Group's customers during the current quarter.

18 Commentary on Prospects

The rest of the financial year will see keener competition for the Group's products coupled with sustained cost and pricing pressures which may impact on its financial results. The pace of expansion of the local economy in related sectors will also affect the demand for the Group's products. Apart from instituting measures to address immediate market challenges, the Group is looking to establishing innovative channels of distribution and enhancing its competitive advantages in product offerings, branding, market coverage and servicing to ensure future growth and improved long-term performance.

19 Profit Forecast and Guarantee

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

20 Taxation

	30/06/17	30/06/16	**30/06/17**	30/06/16
	3-month	3-month	**3-month**	3-month
	RM'000	RM'000	**RM'000**	RM'000
Income tax - current year	**142**	99	**142**	99
Deferred tax - originating & reversal	**-**	(39)	**-**	(39)
Tax expense	**142**	60	**142**	60
Profit before taxation	**(284)**	203	**(284)**	203
Tax at 24% (previous year - 24%)	**(69)**	49	**(69)**	49
Deferred tax asset not recognized	**185**	-	**185**	-
Effects of transactions :-				
Non-deductible expenses	**26**	11	**26**	11
Tax expense	**142**	60	**142**	60

The effective tax rate for the current financial quarter was 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.

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.

	30/06/17 3-month	30/06/16 3-month	**30/06/17 3-month**	30/06/16 3-month
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	**(426)**	143	**(426)**	143
Weighted average number of ordinary shares in issue ('000)	**449,550**	449,550	**449,550**	449,550
Basic earnings/(loss) per share (sen)	**(0.09)**	0.03	**(0.09)**	0.03

26 Realised and Unrealised Profits/Losses

	As at **30/06/17** **RM'000**	As at 31/03/17 RM'000
Total retained profits of the parent and its subsidiaries:		
- Realised	**40,168**	40,588
- Unrealised	**(94)**	(88)
Total Group retained profits as per consolidated accounts	**40,074**	40,500

By order of the Board
Jasa Kita Berhad

Woo Hin Weng
Executive Director

Kuala Lumpur
Date : 15 August 2017