


**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the Second Quarter Ended 30 September 2017**

	Note	Current Quarter		Year To-date	
		<u>30/09/17</u>	<u>30/09/16</u>	<u>30/09/17</u>	<u>30/09/16</u>
		3-month	3-month	6-month	6-month
		RM'000	RM'000	RM'000	RM'000
Revenue	9	6,409	7,738	12,981	18,597
Cost of sales		(4,723)	(5,845)	(9,589)	(14,305)
Gross profit		1,686	1,893	3,392	4,292
Other income		459	422	900	834
Other expenses		(2,734)	(2,153)	(5,059)	(4,652)
Administration expenses		(79)	(83)	(185)	(192)
Profit/(loss) before tax	10	(668)	79	(952)	282
Income tax expense	20	(166)	(202)	(308)	(262)
Profit/(loss) for the period		(834)	(123)	(1,260)	20
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		(834)	(123)	(1,260)	20
Total comprehensive income/(loss) attributable to :					
Owners of the parent		(834)	(122)	(1,260)	21
Non-controlling Interest		-	(1)	-	(1)
		(834)	(123)	(1,260)	20
Earnings/(loss) per share attributable to owners of the parent					
Basic (sen)	25	(0.19)	(0.03)	(0.28)	0.00

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.



Condensed Consolidated Statements of Financial Position

	Note	As at <u>30/09/17</u> RM'000	As at <u>31/03/17</u> RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	10,577	10,603
Investment properties		4,472	4,502
Intangible asset		422	450
<u>Current assets</u>			
Inventories		15,720	15,577
Trade receivables		7,411	11,029
Non-trade receivables, deposits and prepayments		1,377	1,774
Tax recoverable		1,451	1,368
Investment securities		5,427	5,387
Deposits with licensed financial institutions		32,382	29,682
Cash and bank balances		6,493	12,396
		70,261	77,213
TOTAL ASSETS		85,732	92,768
EQUITY AND LIABILITIES			
Share Capital	7	44,955	44,955
Retained earnings		39,240	40,500
Attributable to Equity holders of the parent		84,195	85,455
Non-controlling Interest		(129)	(129)
TOTAL EQUITY		84,066	85,326
Deferred tax liabilities		78	88
<u>Current liabilities</u>			
Trade payables		373	1,925
Non-trade payables and accruals		1,215	934
Dividend payable		-	4,495
		1,588	7,354
TOTAL LIABILITIES		1,666	7,442
TOTAL EQUITY AND LIABILITIES		85,732	92,768
Net assets per share (RM)		<u>0.19</u>	<u>0.19</u>

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.

**Condensed Consolidated Statements of Changes in Equity
For the Second Quarter Ended 30 September 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 2016</u>	44,955	46,564	91,519	(127)	91,392
Profit for the period represents total comprehensive income for the period	-	21	21	(1)	20
Dividend paid	-	-	-	-	-
At 30 September 2016	44,955	46,585	91,540	(128)	91,412
<u>At 1 April 2017</u>	44,955	40,500	85,455	(129)	85,326
Profit for the period represents total comprehensive income for the period	-	(1,260)	(1,260)	-	(1,260)
Dividend paid/payable	-	-	-	-	-
At 30 September 2017	44,955	39,240	84,195	(129)	84,066

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.

**Condensed Consolidated Statements of Cash Flows**
For the Second Quarter Ended 30 September 2017

	<u>6-month</u> <u>30/09/17</u> RM'000	<u>6-month</u> <u>30/09/16</u> RM'000
Cash flows from operating activities		
Profit before taxation	(952)	282
Adjustments for:		
Depreciation of property, plant and equipment	288	298
Amortisation of intangible asset	28	14
Loss on disposal of property, plant and equipment	-	(7)
Decrease in net provision for doubtful and bad debts	-	(450)
Unrealised foreign exchange loss	17	12
Distribution income from investment securities	(40)	(48)
Interest income	(517)	(408)
Operating profit before changes in working capital	(1,176)	(307)
Changes in working capital:		
Inventories	(143)	3,392
Receivables	4,015	3,157
Payables	(1,288)	(1,139)
Cash generated from operations	1,408	5,103
Taxation paid	(402)	(605)
Net cash from operating activities	1,006	4,498
Cash flows from investing activities		
Purchase of property, plant and equipment	(232)	(214)
Proceeds from disposal of property, plant and equipment	1	120
Interest received	517	408
Net cash from investing activities	286	314
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	(3,203)	4,812
Cash and cash equivalents as at 1 April	27,696	25,054
Cash and cash equivalents as at end of period	24,493	29,866
Cash and cash equivalents comprise the following amounts:		
Deposits with licensed banks	18,000	23,500
Cash and bank balances	6,493	6,366
	24,493	29,866

(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 unaudited interim financial statements have been prepared in accordance with MFRS 134 : *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K 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 2017, except for the adoption of the following Amendments to MFRS during the current financial period:

- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2014-2016 Cycle"

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

- Amendments to MFRS 12 Disclosure of Interest in Other Entities

b) Effective for annual periods commencing on or after 1 January 2018

- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

- Amendments to MFRS 128 Investments in Associates and Joint Ventures

The aforesaid Annual Improvements consist of the following amendments:

- Amendments to MFRS 12 Disclosure of Interests in Other Entities

The amendments clarify that an entity is not required to disclose summarized financial information for subsidiary, joint venture or associate when it is classified as held for sale in accordance with MFRS5.

- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

The amendments remove certain provisions from the Standard that have served their intended purposes and are no longer required.

- Amendments to MFRS 128 Investments in Associates and Joint Ventures

The amendments clarify that when an investment in an associate or joint venture is held by an entity which is a venture capital organization, or a mutual fund, unit trust or similar entities, the entity may elect to ensure that investment at fair value on an investment by investment basis in accordance with the Standard.

The adoption of the aforesaid Annual Improvements did not have any financial impact on the financial statements of the Group.

- MFRS 15 Revenue from Contracts with Customers

- MFRS 9 Financial Instruments (2014)

- Transfers of Investment Property (Amendments to MFRS 140)

- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

- Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts (Amendments to MFRS4)

c) Effective for annual periods commencing on or after 1 January 2019

- MFRS 16 Leases



Part A - Explanatory Notes Pursuant to MFRS 134

A brief description of the above standard, amendments and interpretations is set out as follows:

MFRS 15 Revenue from Contracts with Customers

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.

Transfers of Investment Property (Amendments to MFRS 140)

The amendments clarify the existing provisions in the Standard on transfer to, or from the investment property category. The adoption of these amendments is not expected to have any material financial impact on the financial statements of the Group.

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The IC Interpretation addresses the issue on which exchange rate is to be used in reporting foreign currency transactions that involve advance consideration paid or received. The adoption of the IC Interpretation is not expected to have any material financial impact on the financial statements of the Group.

Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts (Amendments to MFRS 4)

The amendments address issues relating to transitional changes pending the issuance of MFRS 17 on insurance contracts and also introduce two additional voluntary options. The adoption of these amendments is not expected to have any material financial impact on the financial statements of the Group.

MFRS 16 Leases

MFRS 16 introduces a single accounting model for a lessee and eliminates the distinction between finance lease and operating lease. The lessee is now required to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Upon adoption of MFRS 16, the Group is required to account for the major part of its operating leases in the statement of financial position by recognising the 'right-of-use' assets and the lease liability. The financial effects arising therefrom are being assessed by the Group.

Companies Act 2016

The Companies Act 2016 ("Act") was enacted to replace the Companies Act 1965 with the objectives of creating a legal and regulatory structure that will facilitate business and promote accountability as well as protecting corporate directors and shareholders, taking into consideration the interest of other stakeholders. The Act was passed on 4 April 2016 and gazetted on 15 September 2016. On 26 January 2017, the Minister of Domestic Trade, Co-operatives and Consumerism announced that the date on which the Act comes into operation, except for section 241 and Division 8 of part III of the Act, will be 31 January 2017.



Part A - Explanatory Notes Pursuant to MFRS 134

Companies Act 2016

Amongst the key changes introduced in the Act relating to the financial statements of the Group are:

- a) Removal of authorized share capital
- b) Shares of the Company will cease to have par or nominal value; and
- c) The Company's share premium account will become part of its share capital.

The adoption of the Act did not have any financial impact on the Group for the current financial year.

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 and financial year-to-date.

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-to-date.

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-to-date.

8 Dividend Payment

There was no dividend payment made in the current quarter.

9 Segment Information

	<u>30/09/17</u> 3-month	<u>30/09/16</u> 3-month	<u>30/09/17</u> 6-month	<u>30/09/16</u> 6-month
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
Investment holding	-	-	-	-
Distribution and trading	5,338	6,909	10,855	16,840
Logistics related services	966	829	1,916	1,757
Others	237	27	473	54
Total including inter-segment sales	6,541	7,765	13,244	18,651
Elimination of inter-segment sales	(132)	(27)	(263)	(54)
Total	6,409	7,738	12,981	18,597
<u>Segment Results - Profit/(loss) before tax</u>				
Investment holding	194	8	278	126
Distribution and trading	(1,160)	(247)	(1,938)	(552)
Logistics related services	129	122	334	314
Others	83	110	202	222
	(754)	(7)	(1,124)	110
Eliminations	86	86	172	172
Total	(668)	79	(952)	282



Part A - Explanatory Notes Pursuant to MFRS 134

10 Profit before tax

There are no items applicable pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad other than the following :

	<u>30/09/17</u> 3-month RM'000	<u>30/09/16</u> 3-month RM'000	<u>30/09/17</u> 6-month RM'000	<u>30/09/16</u> 6-month RM'000
(a) Interest income	301	200	517	408
(b) Depreciation and amortization	(159)	(155)	(316)	(312)
(c) Reversal of (impairment) of receivables	-	450	-	450
(d) Gain on disposal of assets	-	-	-	7
(e) Foreign exchange gain/(loss)	21	24	34	-

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 financial period except for an investment of RM1.0 million in a wholly-owned subsidiary company, Jasa Kita Auto Sdn Bhd.

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 - Total revenue from this segment fell 35% from RM16.8 million to RM10.8 million for the first half of the current financial year compared to the previous year. Quarter-wise year-on-year, the fall in revenue was 23% from RM6.9 million to RM5.3 million for the current quarter. Demand within the industry for electric power tools was subdued and market competition increasingly stiff. Sales of mechanic handtools was however slightly higher while turnover for the automotive batteries division jumped from RM135,000 to RM820,000 for the six months of the current year. Total gross profit contribution declined 34% to RM2.5 million following the overall drop in sales for the year-to-date period. The current quarter performance generally reflects that for the year-to-date period, with electric power tools division reporting lower turnover while sales of handtools and electric motors were almost at the same levels as those for the corresponding quarter last year.

Logistics related services - Year-to-date revenue was up by 9% at RM1.9 million and gross profit rose 30% to RM700,000 from that of the previous year. The higher gross profit contribution for the current quarter was in line with the growth in revenue which increased by 17% to RM966,000 in comparison with the previous year's quarter, mainly due to higher margins from targeted customer segments and enhanced space utilization.



Part B - Explanatory Notes

(Appendix 9B of Listing Requirements of BMSB)

17 Current vs Preceding Quarter Results

Revenue and gross profit for the current quarter decreased marginally to RM6.4 million and RM1.7 million, respectively from that for the preceding quarter. The loss before tax widened to RM0.67 million compared to the preceding quarter's loss of RM0.28 million due to higher marketing expenses and increased personnel costs for the planned expansion of the automotive batteries division.

18 Commentary on Prospects

The business environment for the second half of the current year is not expected to show significant improvement over that for the current reporting period, given the perceived continued sluggish demand within the industry and the fiercely competitive market conditions with key buyers and other participants awaiting more favourable signs of an upturn in the related sectors of the economy. The Group will continue with its strategic plans to grow its businesses over the near and long-term future.

19 Profit Forecast and Guarantee

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

20 Taxation

	<u>30/09/17</u> 3-month RM'000	<u>30/09/16</u> 3-month RM'000	<u>30/09/17</u> 6-month RM'000	<u>30/09/16</u> 6-month RM'000
Income tax - current year	172	130	314	229
(Over)/under-provided in prev. years	5	-	5	-
Deferred tax - originating & reversal	(11)	72	(11)	33
Tax expense	166	202	308	262
Profit before taxation	<u>(668)</u>	<u>79</u>	<u>(952)</u>	<u>282</u>
Tax at 24% (previous year - 24%)	(160)	19	(229)	68
Income tax (over)/under-provided	5	-	5	-
Deferred tax asset not recognized	227	147	412	147
Effects of transactions :-				
Non-deductible expenses	104	48	130	59
Income not taxable	(10)	(12)	(10)	(12)
Tax expense	166	202	308	262

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.

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.

**Part B - Explanatory Notes***(Appendix 9B of Listing Requirements of BMSB)***24 Dividends**

The Company did not declare any dividend during the current financial quarter and year-to-date period.

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>30/09/17</u> 3-month	<u>30/09/16</u> 3-month	<u>30/09/17</u> 6-month	<u>30/09/16</u> 6-month
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	(834)	(122)	(1,260)	21
Weighted average number of ordinary shares in issue ('000)	449,550	449,550	449,550	449,550
Basic earnings/(loss) per share (sen)	(0.19)	(0.03)	(0.28)	0.00

26 Realised and Unrealised Profits/Losses

	As at 30/09/17 RM'000	As at 31/03/17 RM'000
Total retained profits of the parent and its subsidiaries:		
- Realised	39,318	40,588
- Unrealised	(78)	(88)
Total Group retained profits as per consolidated accounts	39,240	40,500

By order of the Board
Jasa Kita Berhad

Woo Hin Weng
Executive Director

Kuala Lumpur
Date : 24 November 2017